

The Companies Act, 1956  
**ARTICLES OF ASSOCIATION**  
**OF**  
**PASARI SPINNING MILLS LIMITED**  
(Company Limited by Shares)

1. **INTRODUCTION:**

1. In these regulations:

Unless the context otherwise requires:

- a) The Company or this Company means **PASARI SPINNING MILLS LIMITED**.
- b) The words or expressions contained in these Regulations shall bear the same meaning as in the Act or any statutory modification thereof.
- c) "The Act" means the Companies Act, 1956.
- d) "The Seal" means the Common Seal of the Company.
- e) Words importing singular shall include plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include bodies corporate.
- f) "Month" and "Year" mean a calendar month and a calendar year respectively.
- g) Expressions referring to writing shall be construed as including references to printing lithography and other modes of representing or reproducing words in a visible form.
- h) "Section" means section of the Act.
- i) "Board" means Board of Directors.
- j) Dividend includes Bonus.

Application of Table A in Schedule I of the Act Extent of

2. Regulations contained in Table A in the first Schedule to the Companies Act, 1956 shall apply so far and so far only as they are not inconsistent with any of the provisions contained in the regulations.

Capital

**II Share Capital**

3. a) "The Share Capital of the Company is:  
"As mentioned in Clause 'V' of the Memorandum of Association

Power to issue Shares at discount

b) The Company shall have power to issue shares at a discount but in doing so it shall comply with the provisions of Section 79 of the Act or any statutory modifications thereof.

Allotment of shares and provisions of this Act to be complied with

4. The shares shall be under the control of the Board of Directors who may allot or otherwise dispose of them to such persons on such terms and conditions and at such times as the Directors may think fit whether at par or at a premium or (subject to the provision of the Act) at discount and for such time and such consideration as the Directors think fit; provided that option or right to call of shares shall not be given to any person except, with the sanction of the Company in General Meeting.

Issue of share certificates.

a) The share certificates shall be issued in market lots and where share certificates are issued in, either more or less than market lots, sub-division or consolidation of share certificates into market lots shall be done free of charge;

b) The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and of any statutory modifications thereof for the time being shall be duly complied with respect to all transfers of shares and the registration thereof;

**Payment of Commission and Brokerage**

Disclosure of the rate of commission

5. a) The Company may exercise the powers of paying commission provided that the rate per cent of the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by Section 76 of the Act or any statutory modifications thereof.

Maximum rate of Commission.

b) The rate of the Commission shall not exceed the maximum percentage provided in Section 76 of the Act or any statutory modifications thereof.

Commission how paid.

c) The Commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

Power to pay brokerage

d) The Company may also on any issue of shares pay brokerage as may be lawful.

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PASARI SPINNING MILLS LTD.

Director

Amended vide special resolution passed at the Annual General Meeting of the Company held on 25.09.2000.

After Article 4, the following new Article shall be inserted as Article 4A with the following sub-heading.

**DEMATERIALIZATION OF SECURITIES.**

**Article 4A**

i) For the purpose of this Article:

“Beneficial owner” means a person or persons whose name is recorded as such with a Depository.

“SEBI” means the Securities and Exchange Board of India

“Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certified of registration to act as a depository under the Securities and Exchange Board of India Act, 1992.

“Security” means such security as may be specified by the SEBI, from time to time.

“Act” means Companies Act, 1956

ii) Dematerialisation of Securities:-

Notwithstanding anything contained in these articles, the company shall be entitled to dematerialise its securities and offer securities in a dematerialised form pursuant to the Depositories Act, 1996

iii) Options for Investors.

Every person subscribing to Securities offered by the company shall have the option to receive security certificate or to hold the to receive security certificate or to held the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt our of a depository, if permitted by law, in respect of any security in the manner provided by the Depository Act, and the company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

iv) Securities in Depository to be in fungible form:

All Securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in section 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner.

v) **Rights of Depositories and beneficial owners:-**

- a) Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company, the beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

vi) **Service of Documents:-**

Notwithstanding anything in the Act or these articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disk.

vii) **Transfer of Securities:-**

Nothing contained in 108 of the Act or these articles shall applied to a transfer of securities effected by a transferer & Transferee, both of whom are entered as beneficial owner in the records of the depository.

viii) **Allotment of Securities dealt with by a Depository:-**

Notwithstanding anything in the Act or these articles where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

ix) **Distinctive No. & Securities held in a Depository:-**

Nothing contained in the Act or these articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held in a depository.

x) **Register & Index of Beneficial Owner:-**

The Register of Index of beneficial owners, maintained by the Depository under the Depositories Act,1996 shall be deemed to be the Register & Index of members and Securities Holders for the purpose of these articles.

## Variation of Shareholder's Rights

6. a) If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.
- b) Subject to the provisions of section 170 (2) (a) and (b) of the Act or any statutory modifications thereof; to every such separate General Meeting the provisions of these Regulations relating to the general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be five persons at least holding or representing by proxy one-third of the issued shares of the class in question.
- c) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

**Alteration of rights to any class of shares how effected**

**Provisions relating to General Meeting how far applicable to meetings different classes of shareholders**

**Conditions under which rights conferred upon holders of shares of any class be varied by creation or by issue of further shares**

## Trusts - Entry in register of members

7. Subject to Section 49 of the Act and without prejudice to the provisions of Sections 42 (2) & 226 (3) (f) or any statutory modifications thereof, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in anyway to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

**Trust not ordinarily recognised**

## Certificates

8. a) Every person whose name is entered as a member in the register of members shall be entitled to receive within three months after allotment or registration of transfer (or within such other period as the conditions of issue shall provide)
- i) One certificate for all his shares or for a lot of 50 shares each or for multiples of 50 shares each and also one certificate for the balance of shares if any without any payment or;
- ii) Several certificates upon payment of one rupee each when issued otherwise than in the cases referred to in sub-clause (i) herein above.

**Member entitled to share certificate**

**Issue of certificate in case of joint holders**

**Fresh certificate in case of loss of original certificate**

**Class and restrictions thereon**

**Notice of call**

**When call deemed to be made**

**Liability of joint holders**

**Interest payable on call, if not paid in time**

**Power of the Board to waive payment of interest**

- b) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
- c) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- d) If a share certificate is defaced, lost or destroyed may be renewed on payment of such fee, if any, not exceeding Rupees Two and on such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Directors think fit.

**Call on shares**

- 9.a) i) The Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the condition of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the share or the payable at less than one month from the date fixed for the payment of the last preceding call.

- ii) Each member shall, subject to receiving at least fourteen day's notice specifying the time or times and place of payment pay to the Company at the time or times so specified the amount called on his shares.
- b) A call shall be deemed to have been made at the time when the resolution of the Board authorising the calls was passed and may be required to be paid by instalments.
- c) The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- d) i) If a sum called in respect of a share is not paid on or before the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 12% per annum, or at such rate as the Board may determine.
- ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

- e) i) Any sum which by the terms of issue of a share became payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these Regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- ii) In case of non-payment of such sum, all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- f) i) Subject to the provisions of Section 92 of the Act or any statutory modification thereof the Board may if it thinks fit receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him and
- ii) Upon all or any of the moneys so advanced may (until the same would but for such advances become presently payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) six percent per annum as may be agreed upon between the Board and the member paying the sum in advance but shall not entitle the holder of the share to participate in respect thereof any dividends subsequently declared.
10. a) The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of transfer of shares, shall operate as waiver of the company's lien if any, on such shares. The Directors may at any time declare any shares to be wholly or in part to be exempt from the provisions of this clause.
- i) The Company's lien, if any, on a share shall extend to all dividends payable thereon, subject to the provisions of section 205A of the Companies Act, 1956.
- b) The Company may sell, in such manner as the Board thinks fit any shares on which the Company has a lien provided that no sale shall be made
- i) unless a sum in respect of which the lien exists is presently payable or
- ii) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or
- Sums payable on allotment deemed to be calls**
- Effect of non payment**
- Power to accept unpaid share capital although not called up**
- Interests on moneys paid in advance**
- Lien on shares**
- Lien on dividends**
- Power of sale of shares on which there is a lien**
- No sale unless the sum presently payable**
- Period after which the sale to be effected in the case of registered holder**

**Transfer of the shares Subject to lien**

**Purchaser to be registered as share holder**

**Purchaser's title unaffected.**

**Application of proceeds of sale**

**Excess of sale proceeds to be paid to share holder**

**Restriction on exercise of voting right of members who have not paid calls etc**

- c) i) To give effect to any such sale, the Board may authorise some people to transfer the shares sold to the purchaser thereof.
- ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- d) i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as presently payable.
- ii) The residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the person entitled to the shares at the date of the sale.
- e) No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised any right of lien.

### **Forfeiture of Shares**

**Notice for calls unpaid**

11. a) If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

b) The notice aforesaid shall:

**Form of Notice Date of payment**

- i) name a further day (not earlier than the expiry of fourteen days from the date of the service of the notice) on or before which the payment required by the notice is to be made, and

**Effect on non-payment**

- ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

**Forfeiture for non payment**

- c) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made be forfeited by a resolution of the Board of Directors to that effect.

- d) i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. **Disposal of forfeited shares**
- ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it think fit. **Power of cancel forfeiture**
- iii) The Board may accept in the name of the Company and for benefit of the Company and upon such terms and conditions as be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other shares. Such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.
- e) i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall not withstanding the forfeiture, remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the company in respect of the shares. **Liability of forfeiture**
- ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. **Liability when ceases**
- f) i) A duly verified declaration in writing that the declarant is a director, manager or secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. **Declaration of forfeiture of shares to be conclusive evidence**
- ii) The Company may receive the consideration if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the persons to whom the share is sold or disposed of. **Company to transfer shares on disposal**
- iii) The transferee shall thereupon be registered as the holder of share. **Transferee to be shareholder**
- iv) The transferee shall not be bound to see to the application of the purchase money if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. **Transferee's unaffected**
- g) The provisions of these Regulations as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share by way of premium, as if the same had been payable by virtue of a call duly made and notified. **Application of forfeiture provisions to sums payable otherwise than to calls**

**Effect of forfeiture**

- h) the forfeiture of a share shall involve the extinction of all interest and also of claims and demands against the Company in respect of the share, and all other rights incident to the share, except only such of those rights as by these Articles are expressly saved.

**Alteration of Share Capital**

**Increase of share capital**

**Consolidation and division of shares**

**Conversion of shares into stock and vice versa**

**Sub-division of shares**

**Cancellation of shares**

**Above powers to be exercised in General Meeting**

**Reduction of Capital Redemption Reserve Fund**

- 12. 1) The Company shall have power to alter the conditions of its memorandum as follows, that is to say, it may:

- a) increase its share capital by such amount as it thinks expedient by issuing new shares.
- b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- c) convert all or any of its fully paid-up shares into stock and convert that stock into fully paid-up shares of any denomination.
- d) sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share be the same as it was in the case of the share from which the reduced share is derived.
- e) cancel shares, which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled provided however the cancellation of shares in pursuance of the exercise of this power shall not be deemed to be a reduction of share capital within the meaning of the Act.

- 2) The powers conferred by this regulation shall be exercised by the Company in general meeting and shall not require to be confirmed by the court.

- 13. The Company shall have power to reduce the share capital in the manner provided for in Section 100 of the Act or any statutory modifications thereof.

- 14. The Company shall have power:

- a) to reduce any share premium account in accordance with the provisions of Section 71 read with Section 100 or any statutory modifications thereof.
- b) to reduce any capital redemption reserve fund in accordance with Section 78 read with Section 100 or any statutory modifications thereof.

15. None of the funds of the Company shall be employed in the purchase of or lent on the security of shares of the Company or its holding Company, and the Company shall not give any financial assistance for the purpose of or in connection with any purchase of any such shares except under the provision of Section 77 or any statutory modifications thereof.

**Prohibition of financial assistance on acquisition of share in Company or its holding company**

### **Transfer and Transmission of Shares**

16. In registering transfer and transmission of shares, the Company shall comply with the provisions of Sections 108, 109, 110, 111, 112 and 250 of the Act or any statutory modifications thereof.

**Certain provisions of the Act to be complied with for registering Transfer and Transmission of shares**

17. a) The instrument of any share in the Company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**Who is to execute Transfer of shares**

- b) Shares in the Company shall be transferred in the form prescribed in the Companies (Central Government) General Rules and Forms, 1956.

**Form of Transfer**

- c) The Board may, subject to the right of appeal conferred by section 111, decline to register:

**When the Board may decline to register transfer of shares.**

- i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve, or

- ii) any transfer of shares on which the Company has a lien.

- d) The Board may also decline to recognise any instrument of transfer unless:

**Conditions to be fulfilled before registration of transfer**

- i) the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and:

- ii) the instrument of transfer is in respect of only one class of shares.

- e) The registration of transfer may be suspended at such times and for such periods as the Board may from time to time determine:

**Power of Board to suspend the registration of Transfers**

Provided that such registration shall not be suspended for more than forty- five days in any year.

- f) No fees shall be charged for transmission of share or for registration of any Power of attorney, Probate, Letters of Administration or other similar documents. No fees shall also be charged for registration of transfers or for issue of new certificates in replacement of these which are old, decrepit, worn out or where the cages on the reverse for recording transfer have been fully utilised.

- Transmission of shares Title of legal representative on death of holder**
- Liability in respect of the estate of the deceased joint holder**
- Rights of person entitled to a share on death or insolvency of share holder**
- Board's right to decline or suspend registration in case of transfer by legal representative**
- Conditions to be fulfilled if such a person elects to be shareholder to transfer shares**
- Extent of applicability of regulations 16 & 17 to transfer of shares effected by legal representatives**
- Dividends and voting power of persons entitled to a share on death or insolvency of a member when entitled to**
- g) The registration of transfer shall not be refused on the ground that the transferor is either alone or jointly with any other person/persons indebted to the Company on any account whatsoever.
- 18.a(i) On the death of member, the survivors or survivor where the member was a joint holder and his legal representatives where he was sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares.
- ii) Nothing in Clause (i) shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons
- b) 1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time being properly required by the Board and subject as hereinafter provided, elect either:
- i) to be registered himself as holder of the share or
- ii) to make such transfer of the share as the deceased or insolvent member could have made.
- 2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member has transferred the share before his death or insolvency.
- c) 1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- 2) All the limitations, restrictions and provisions of these Regulations relating to the right to transfer and the registrations of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
- d) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

19. Notwithstanding anything contained in these Articles, the Board may in its absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares, in particular and without prejudice to the generality of the above powers, the Board may subject to the provisions of the Section 111 of the Companies Act, so decline to register in exceptional circumstances when it is felt that the transferee is not a desirable person from the larger point of view of the interest of the Company as a whole and also subject to the Provisions of the Section 22 (4) (c) of the Securities (Contract) Regulation Act.

### III Borrowing Powers

20. a) The Company shall have power to borrow from any person or persons and secure the payment of any sum or sums of money for the purpose of the Company and the Directors may from time to time at their discretion exercise this power and may themselves lend to the Company on security or otherwise provided that the Directors shall not contravene the provisions of Section 293 (1) (d) or any statutory modifications thereof.

**Power to borrow and limitations thereof**

Provided further that no debt incurred or security given in excess of limit imposed by section 293 [1] [d] shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed has been or was thereby exceeded.

- b) The directors may raise or secure the repayment of any sum or sums in such manner and upon such terms and conditions in all respects as they may think fit, and in particular by the creation of any mortgage or charge on the undertaking of the whole or any part of the property, present or future, or uncalled capital of the Company or by the issue of bonds, perpetual or redeemable, debentures or debentures stock of the Company charged upon all or any part of the property of the company both present and future, including its uncalled capital for the time being.

**Conditions and manner in which money may be borrowed.**

### IV Debentures

21. The Company shall have power to issue debentures but in exercising this power the provisions of Sections 56,64,67,70, to 73,76,78,108 to 113, 117 to 123,128,129, 133,134,152,154,170, (2) (a) and (b), 187, 292, of the Act or any statutory modifications thereof shall be complied with.

**Power to issue debenture and provisions of the Act to be compared with**

## V General Meetings of the Company

### Different kinds of meetings and Business

**Application of Sections 165 to 197**

22. a) The Company shall comply with the provisions of Sections 165 to 197 of the Act or any statutory modifications thereof shall be complied with.

**Statutory Meeting**

b) The Company shall hold a general meeting of the members of the Company, which shall be called the statutory meeting. In the calling and the conduct of statutory meeting, provisions of Section 165 of the Act or any statutory modifications thereof shall be complied with.

**Annual General Meetings**

c) Without prejudice to the provisions of Section 167 or any statutory modifications thereof, the Company shall in addition to any other meetings hold a general meeting, which shall be styled the annual general meeting at such intervals, and in accordance with the provisions of Section 166 of the Act or any statutory modifications thereof.

**Extraordinary General Meetings**

d) All general meetings other than the annual general meetings of the Company shall be called Extraordinary General Meetings.

**Who may call extra ordinary Control Meeting**

e) i) The Board may whenever it think fit call an extraordinary general meeting.

ii) If at any time, they are not within India, Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which such meeting may be called by the Board.

iii) Extraordinary General Meetings may be called by the members under the provisions of Section 169 and under conditions mentioned therein or any statutory modifications thereof, and by Court under conditions mentioned in Section 186 or any statutory modifications thereof.

**Business deemed to be special**

f) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all that is transacted at an Annual General Meeting with the exceptions of

i) the consideration of accounts, balance sheet and the reports of the Board of Directors and auditors:

ii) the declaration of a dividend:

iii) the appointment of directors in the place of those retiring:

iv) the appointment of and fixing of the remuneration of auditors

**Application of Section 173**

g) Where any item of business to be transacted at the meeting are deemed to be special as aforesaid, the provisions of Section 173 or any statutory modifications thereof shall be complied with.

- h) The business at an Annual General Meeting shall also include any resolution by members of which notice is given in accordance with section 188 (7) or any statutory modifications, thereof.

**Business at a general meeting to include members resolution**

**Notices**

- 23. a) A general meeting of the Company may be called by giving not less than twenty-one days notice in writing or after giving such shorter notice as provided for in Section 171 (2) of the Act or any statutory modifications thereof.

**Period of notice**

- b) Notice of every meeting of the Company shall be given:
  - i) to every member of the Company;
  - ii) to the persons entitled to a share in consequence of the death or insolvency of a member;
  - iii) to the auditor or auditors for the time being, of the Company.

**To whom notice should be given**

In the manner provided for in Section 172, of the Act or any statutory modifications thereof.

- c) Accidental omission to give notice to ; or the non-receipt of notice by any member or other persons to whom it should be given shall not invalidate the proceedings of the meeting.

**Accidental omission not to invalidate meeting.**

**Representation at Meetings**

- 24. a) A body corporate (whether a Company within the meaning of this Act or not) may, if it is a member of the Company by resolution of the Board of directors or other governing body, authorise such persons as it thinks fit to act as its representative at any meeting of any class of members of the Company.

**Representation at meetings by a body corporate.**

- b) The person authorised by the resolution as aforesaid shall be entitled to exercise the same right and powers including the right to vote by proxy on behalf of the body corporate which he represents as that body could exercise if it were a member.

**Rights and powers of such representatives**

- 25. a) Any member of the Company entitled to attend and vote at meeting of the Company shall be entitled to appoint another person or persons whether a member or not, as his proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting, provided however the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding poll.

**By proxies**

- b) The instrument appointing a proxy or any other document necessary to show the validity of or otherwise relating to the appointment of a proxy is to be deposited with the Company in accordance with the provisions of Section 176 of the Act or any statutory modifications thereof

**Deposit of instrument proxy and the time of deposit**

**Validity of form of proxy**

- c) An instrument appointing a proxy shall not be questioned, if it is in any one of the forms set out in Schedule IX of the Act.

**Continuance of the validity of proxy inspite of death etc of principal if no notice is given**

- d) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocations of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given.

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Members right of inspection of proxies**

- e) Every member entitled to vote at a meeting of the Company or on any resolution to be moved there at shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting, and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three day's notice in writing of the intention so to inspect is given to the Company.

**Contents of Notice (General)**

**Contents of Notice**

26. a) Every notice of the meeting of the Company shall contain the following:

- i) It shall specify the place, date and time of the meeting.  
ii) It shall contain a statement of the business to be transacted therein.

**Matters relating to proxies**

- b) Notice of the resolution requiring special notice required to be given under the Provisions of the Act shall be given to the members and shall set out the reasons which make the resolution necessary.

**Special resolution and Notice thereof**

- c) In every notice calling a meeting of the company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies, to attend and vote instead of himself and that a proxy need not be a member.  
d) The Company shall in the case of a resolution to be moved as a special resolution duly specify in the notice calling the general meeting or other intimation given to the members, of the intention to propose the resolution as a special resolution.

- e) The Company shall in compliance with Section 190 read with Section 225, 284 or any statutory modifications thereof, give to its members notice of resolution requiring special notice at the same time and in the same manner as it gives notice of the meeting or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having a circulation in the State in which the registered office is situated not less than 21 days before the meeting.
- f) Subject to the provisions of Sections 225 and 284 or any statutory modifications thereof the receipt of representation, if any, made under Section 225 by a retiring auditor or under Section 284 by a Director sought to be removed from office as Director must be stated in the notice of meeting given to the members of the Company if the representations are received in time.

**Notice of resolution requiring special notice**

**The fact of the receipt of representations made under Sections 225 and 284**

**Documents to be Annexed to the Notice etc.**

27. (a) Where any item of business to be transacted at the meeting are deemed to be special in accordance with the provisions of Section 173 of the Act there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business, including in particular the nature and extent of the interest, if any, therein of every director and the manager, if any.
- b) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement mentioned above.
- c) A copy of every balance sheet including the profit and loss account, the auditor's report and every other document required by law to be annexed or attached as the case may be to the balance sheet which is to be laid before the Company in general meeting, shall not less than twenty-one days before the date of the meeting be sent to every member of the Company in accordance with the provisions of Section 219 (1) of the Act or any statutory modifications thereof.
28. A copy of representations if any made under Section 225 by a retiring auditor or under Section 284 by a Director sought to be removed from office, shall be sent to the members of the Company as provided for in Section 225 and 284 or any statutory modifications thereof.
29. Subject to the provisions of Section 188 or any statutory modification thereof, member's resolution shall be circulated to the members of the Company entitled to receive notice of the next annual general meeting.
30. The Company shall give inspection at the commencement of or before the meeting the documents referred to in Sections 165 (6), 173 (3), 176 (7) and 230.

**Statements under Section 173 (2)**

**If business consists of the according of approval to documents**

**Copy of balance sheet, documents etc**

**Documents to be sent through not annexed to notice**

**Circulation of members, Resolution**

**Documents to be given inspection of at or before the meeting**

### Auditor's Right

**Right of auditor to attend general meeting and be heard.**

31. All notices of and other communications relating to any general meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the auditor of the Company, and the auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as auditor.

### Quorum

**Quorum needed and the number to form the quorum**

32. a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to transact business. Five members present person shall be a quorum.

**Dissolution of meetings.**

- b) If within half an hour from the time appointed for holding meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved.

**Adjournment of meetings.**

- c) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine.

**Quorum adjourned meetings.**

- d) If at the adjourned meeting also, a quorum is not present within half an hour from time appointed for holding the meeting, the members present shall be a quorum.

### Chairman of Meetings.

**Chairman of the Board to preside**

33. a) The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company.

**When Directors to elect Chairman**

- b) If there is not such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman of the meeting, the directors present shall elect one of their number to be Chairman of the meeting.

**When members to elect Chairman**

- c) If at any meeting no director is willing to act as Chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting in accordance with the provisions of Section 175 or any statutory modifications thereof.

**Chairman's power and duty to adjourn meeting**

- d) The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting, from time to time and place to place

**Nature of business at adjourned meeting**

- ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.

- iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. **Fresh notice required if adjourned for 30 days or more**
- iv) Save as aforesaid, it shall not be necessary to give any adjournment or of the business to be transacted at an adjourned meeting. **Saving clause**
- e) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote, provided he is a member entitled to vote, at the meeting and on the resolution. **Casting vote by Chairman**
- f) A demand for poll shall be made in accordance with the provisions of Section 179 of the Act or any statutory modifications thereof and in any other matters connected with the poll, the provisions of Sections 180 to 185 of the Act or any statutory modifications thereof shall be complied with and subject thereto the Chairman of any meeting shall be the sole judge of the validity of the vote tendered at the meeting and his decision, whether a resolution has been carried or not shall be final. **Matters connected with poll**
- g) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. **Other business to be transacted pending the taking of poll**
- h) Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date. **The date on which resolution is deemed to have been passed**

### **Voting Rights - How Exercised**

- 34. a) Voting rights shall be exercised in accordance with the provisions of Section 87 of the Act or any statutory modifications thereof and Regulation (d) hereunder read with Section 181 of the Act. **How voting rights to be exercised**
- b) In the case of joint holders the vote of senior who tenders vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.  

For the purpose, seniority shall be determined by the order in which the names stand in the register of members.
- c) A member of unsound mind or in respect of whom an order has been made by any court having "Jurisdiction in lunacy", may vote whether on a show of hands or on a poll, by his committee, or other legal guardian and any such committee, or guardian may, on a poll vote by proxy. **Votes in respect of members**

iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

**Fresh notice required if  
adjourned for 30 days or more**

iv) Save as aforesaid, it shall not be necessary to give any adjournment or of the business to be transacted at an adjourned meeting.

**Saving clause**

e) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote, provided he is a member entitled to vote, at the meeting and on the resolution.

**Casting vote by Chairman**

f) A demand for poll shall be made in accordance with the provisions of Section 179 of the Act or any statutory modifications thereof and in any other matters connected with the poll, the provisions of Sections 180 to 185 of the Act or any statutory modifications thereof shall be complied with and subject thereto the Chairman of any meeting shall be the sole judge of the validity of the vote tendered at the meeting and his decision, whether a resolution has been carried or not shall be final.

**Matters connected with poll**

g) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**Other business to be transacted pending the taking of poll**

h) Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

**The date on which resolution is deemed to have been passed**

### **Voting Rights - How Exercised**

34. a) Voting rights shall be exercised in accordance with the provisions of Section 87 of the Act or any statutory modifications thereof and Regulation (d) hereunder read with Section 181 of the Act.

**How voting rights to be exercised**

b) In the case of joint holders the vote of senior who tenders vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

For the purpose, seniority shall be determined by the order in which the names stand in the register of members.

c) A member of unsound mind or in respect of whom an order has been made by any court having "Jurisdiction in lunacy", may vote whether on a show of hands or on a poll, by his committee, or other legal guardian and any such committee, or guardian may, on a poll vote by proxy.

**Votes in respect of insane members**

**No voting right if calls or other sums are not paid**

d) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

**Qualification of voter objection when to be raised.**

e) i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purpose.

ii) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

35. At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as directors of the Company by a single resolution, unless a resolution, that it shall be so made has first be agreed to by the meeting without any vote being given against it:

**Appointment of Directors to be voted on individually**

36. In the election of a director the provision of Section 264 of the Act or any statutory modifications thereof shall be complied with.

**Provisions of Sec. 264 to be complied with in the appointment of a person as director if he is not a retiring director**

37. In giving notice of an intention to propose a resolution as special resolution on any matter the Company shall have regard to the provisions of Sections 17,21,25, (2), 31,99,100,146,208,237,309,314,323,373, and 484 of the Act or any statutory modifications thereof.

**Proceedings subsequent to the meetings**

38. After passing of the resolution at the general meeting of the Company, the Company shall comply with the provisions Sections 192, 193, 196 and 197 of the Act or any statutory modifications thereof.

**Number of Directors**

## VI Director and Board of Directors

39. a) The number of directors of the Company shall not be less than three and until otherwise determined by the Company in general meeting, it shall not be more than Twelve including all kinds of Directors.

**Only individual to be Directors**

b) Only an individual and not a body corporate, association or firm shall be appointed director of the Company.

**Right to increase or reduce the number of directors**

c) Subject to the provisions of Section 252, 255 and 259 or any statutory modifications thereof, the Company may in general meeting increase or reduce the number of directors within the limits fixed by regulation 38 (a).

**Directors on the date of adoption**

d) At the date of adoption of these articles the following persons are the directors of the Company, viz,

the Act or in the Articles, provided that nothing in the Act shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have terminated.

- |   |  |
|---|--|
| <b>Rights of directors</b>  | 47. Every director shall have such rights and powers as are provided for in Sections 209, 284, 286 and 393 of the Act or any statutory modifications thereof.  |
| <b>Rights of directors</b>  | 48. Every director shall discharge such duties as are provided for in Sections 270, 299, 308 and 393 of the Act or any statutory modifications thereof.  |
| <b>Liabilities of directors</b>                                   | 49. Directors shall be subject to such civil liabilities as are provided for in Sections 71,73,169,295,,314,319,320 and 322 of the Act or any statutory modifications thereof.   |
| <b>Period of office 2/3rds of directors to retire by rotation</b> | 50. a) Not less than 2/3 of the number of directors of the Company shall be persons whose period of office is liable to be determined by retirement by rotation in accordance with the provisions of the Section 255 of the Act or any statutory modifications thereof.  |
| <b>Provisions regarding directors retiring by rotation</b>        | b) The retirement by rotation shall take effect in accordance with the provisions of Sections 256(1) and (2) of the Act or any statutory modifications thereof.  |
| <b>Filling up of vacancy created by rotation</b>                  | c) Filling up of vacancy created by the retirement of director by rotation shall be in accordance with the provisions of section 256 (3), (4) and (5) of the Act or any other statutory modifications thereof.   |
| <b>Disabilities of directors</b>                                  | d) Directors shall be subject to the disabilities provided for in sections 275, 295, 297, 300, 312, 314, 318, 319, 320 or any statutory modifications thereof.   |
| <b>Vacation and termination of office of directors</b>            | 51. The office of a director shall be vacated:<br>i) On the happening of any of the conditions provided for in Section 283 or any statutory modifications thereof.<br>ii) On the contravention of the provisions of section 283 or any statutory modifications thereof.<br>iii) If a person is a director of more than twenty Companies at a time.<br>iv) If he is disqualified under Sec.274 or any statutory modifications thereof.<br>v) In the case of alternate director on return of the original director to the State under the provision of Section 313 or any statutory modifications thereof.<br>vi) On resignation of his office by notice in writing. |

52. A director may be appointed as Manager or Secretary of the Company.

**Director as managers o  
secretary**

**Managing And Whole Time Director.**

53. Subject to the provisions of Section 267, 268 and 269 of the Act or any statutory modifications thereof, the Board of Directors may from time to time appoint one or more of their body to the office of Managing Director or Whole-time Director for such period and on such terms as the Board may think fit and subject to the terms of any agreement entered into with him may revoke such appointment.

**Appointment of Managing o  
whole time director**

Provided a director so appointed shall not whilst holding such office be subject to retirement by rotation or be taken into account in determining the retirement by rotation of directors and his appointment shall be automatically determined if he ceases to be a director.

And provided also the appointment of a Managing Director shall be further subject to the provision of section 316 and 317 of the Act, or any statutory modification thereof.

54. The Board may entrust and confer upon a Managing Director or a Whole-time Director any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may from time to time revoke, withdraw, alter or vary all or any such powers.

**Their Powers and duties**

55. In the matter of compensation payable to managing or whole time director for loss of office the provisions of sections 318 to 321 or any statutory modifications thereof shall be complied with.

**Compensation for loss of of-  
fice of Managing and Whole  
time Director.**

**Board of Directors General powers of the Board**

56. a) The Board of Directors shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do.

Provided that the Board shall not exercise any power or do any other provision, law or by the Memorandum of Association of the Company or by these Articles, to be exercised or done by the Company in General Meeting

Provided further that in exercising any such or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other provisions of law or the Memorandum of Association of the Company or these Articles or in any regulation not inconsistent therewith and duly made hereunder, including regulations made by Company in general meeting.

**Provision against invalidation of prior acts of Board**

- b) No regulations made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

**To carry out the objects and exercise such powers as given in Clause III of the Memorandum**

### **Specific powers of the Board**

57. Without prejudice to the general powers, the Board shall have the following specific powers:

**To have superintendence control and direction over Managing Director etc**

- a) To carry out the object and exercise the powers as given contained in Clause III of the Memorandum of Association of the company.

**To delegate powers to committees, etc**

- b) To have the superintendence, control and direction over Manager, Managing Directors, Whole time Directors and all other officers of the Company.

- c) To delegate, subject to the provisions of sec. 292 or any statutory modifications thereof, by a resolution passed at the meeting to any committee of directors, managing directors, whole time directors, manager or Secretary of the Company, direction over managers, managing directors, whole time directors and all other officers of the company:

- i) Power to borrow moneys otherwise than on debentures
- ii) the power to invest the funds of the Company
- iii) the power to make loans

Provided however that every resolution delegating the power in Clause (i) shall specify the total amount upto which money may be borrowed by the delegate; every resolution delegating the power referred to in Clause (ii) shall specify the total amount upto which the funds may be invested and the nature of investments which may be made, and every resolution delegating the power in Clause (iii) shall specify the total amount upto which loans may be made, the purposes for which the loans may be made, and the maximum amount of loan which may be made for each such purpose in individual cases;

Provided further that nothing in this regulation shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any powers specified above.

**To provide for local management**

- d) To provide for the management of the affairs of the Company in any specified locality in or outside India and to delegate to persons in charge of the local management such powers (not exceeding those which are delegatable by the directors under these regulations)

**To appoint by power of attorney**

- e) To appoint at any time and from time to time by a power of attorney under seal, any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which are delegatable by

the directors under these presents) and for such period and subject to such conditions as the Board may from time to time think fit, with powers for such attorneys sub-delegate all or any of the powers, authorities and discretions vested in the attorney for the time being.

f) To acquire by lease, mortgage, purchase or otherwise any property, rights or privileges which the Company is authorised to acquire at such price, restrictions thereon generally on such terms and conditions as the Board may think fit and to sell, let, exchange or otherwise dispose off absolutely or conditionally any property rights or privileges and undertaking of the Company upon such terms and conditions and for such considerations as they think fit, subject however to the restrictions imposed on the Board by Section 293 of the Act or any statutory modifications thereof.

**To acquire and dispose of property and rights and restrictions thereon**

g) To open any account or accounts with such Bank or Banks as the Board may select or appoint, to make, sign, draw, accept, endorse, of orders, bills of exchange, bills of lading and other negotiable instruments to make and give receipts releases and other discharges for moneys payable to the Company and for the claims and demands of the Company, to make contracts and to execute deeds provided however the provisions of Sec. 46,47 and 48 or any statutory modifications thereof shall be complied with.

**To open accounts, make contracts, execute cheques, hundies, bills, promissory notes etc**

h) To secure the fulfilment of any contracts or engagements entered into by the company by mortgage or charge of all or any of the property of the company and its unpaid capital for the time being, or in such other manner as they may think fit.

**To secure the fulfilment of any contracts etc**

i) To appoint Officers, Clerks and servants for permanent, temporary or special service as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require security in such instances and to such amount as the Board may think fit and to remove or suspend any such officers, clerks, and servants provided however that in making such appointments the provisions of sec. 314 or any statutory modifications thereof shall be complied with.

**To appoint officers etc.**

j) To sanction, pay and reimburse officers of the Company in respect of any expenses incurred by them on behalf of the Company.

**To reimburse officers in respect of expenses**

k) To invest and deal with any of the moneys of the Company, to vary or release such investments subject to the provisions of sections 42,49,77,292,293, 373 and 393 of the Act or any statutory modifications thereof.

**To make investment**

the directors under these presents) and for such period and subject to such conditions as the Board may from time to time think fit, with powers for such attorneys sub-delegate all or any of the powers, authorities and discretions vested in the attorney for the time being.

- f) To acquire by lease, mortgage, purchase or otherwise any property, rights or privileges which the Company is authorised to acquire at such price, restrictions thereon generally on such terms and conditions as the Board may think fit and to sell, let, exchange or otherwise dispose off absolutely or conditionally any property rights or privileges and undertaking of the Company upon such terms and conditions and for such considerations as they think fit, subject however to the restrictions imposed on the Board by Section 293 of the Act or any statutory modifications thereof.

**To acquire and dispose of property and rights and restrictions thereon**
- g) To open any account or accounts with such Bank or Banks as the Board may select or appoint, to make, sign, draw, accept, endorse, of orders, bills of exchange, bills of lading and other negotiable instruments to make and give receipts releases and other discharges for moneys payable to the Company and for the claims and demands of the Company, to make contracts and to execute deeds provided however the provisions of Sec. 46,47 and 48 or any statutory modifications thereof shall be complied with.

**To open accounts, make contracts, execute cheques, hundies, bills, promissory notes etc**
- h) To secure the fulfilment of any contracts or engagements entered into by the company by mortgage or charge of all or any of the property of the company and its unpaid capital for the time being, or in such other manner as they may think fit.

**To secure the fulfilment of any contracts etc**
- i) To appoint Officers, Clerks and servants for permanent, temporary or special service as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require security in such instances and to such amount as the Board may think fit and to remove or suspend any such officers, clerks, and servants provided however that in making such appointments the provisions of sec. 314 or any statutory modifications thereof shall be complied with.

**To appoint officers etc.**
- j) To sanction, pay and reimburse officers of the Company in respect of any expenses incurred by them on behalf of the Company.

**To reimburse officers in respect of expenses**
- k) To invest and deal with any of the moneys of the Company, to vary or release such investments subject to the provisions of sections 42,49,77,292,293, 373 and 393 of the Act or any statutory modifications thereof.

**To make investment**

- To refer to arbitration** l) To refer claims or demands by or against the Company to arbitration in accordance with the provisions of Section 389 of the Act or any statutory modifications thereof and observe and perform any awards made thereon.
- To institute and defend legal proceedings and to appoint legal advisers** m) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any debts due and of claims or demand by or against the company to appoint Solicitors, Advocates, Counsel and other legal advisers for such purposes, or for any other purpose and settle and pay their remunerations.
- To act in matter of insolvency** n) To act on behalf of the company in all matter of insolvency in which the company is interested.
- To pay gratuity pension etc** o) To pay and give gratuities, pensions and allowances to any person or persons including any director, to his widow, children or dependents, that may appear to the directors just or proper whether any such person, widow, children or other dependents have or have not a legal claim upon the company and whether such person is still in the service of the company or has retired from its services, to make contributions to any funds and pay premiums for the purchase of provision of any such gratuity, pension of allowance.
- To insure** p) To insure upon such terms as they think fit, all or any of the buildings and other properties of the company and to repair, improve or rebuild the same and to spend such sums of money towards that purpose as the directors shall think fit.
- To support or subscribe for charitable objects etc** q) To establish, maintain, support and subscribe to any charitable or public object or any institution, society or club which may be for the benefit of the company or its employees.
- To set aside profits to form a fund** r) To set aside portions of the profits of the company to form a fund or funds before recommending any dividends for the objects mentioned above.
- To make bye laws** s) To make, vary, repeal by-laws for the regulations of the business of the company its officers and servants from time to time, not inconsistent with the provisions of the Act or Memorandum and Articles of the Company.
- To make and alter rules etc** t) To make and alter rules and regulations concerning the time and manner of the payment of the contribution of the employees and the company respectively to any such fund and accrual employment, suspension and forfeiture of the benefit of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the directors shall from time to time think fit.

- u) To exercise the powers conferred by section 50 or any statutory modifications thereof, with official seal for use abroad. **To provide for use abroad**
- v) To exercise the power conferred on the company by the company or to purchase, obtain or acquire machinery, stores, goods or materials for the purpose of the company or to sell the same when no longer required for these purposes. **To keep foreign registers**
- w) To authorise to sell any goods or articles manufactured or produced by the company or to purchase obtain or acquire machinery, stores, goods or materials for the purpose of the company or to sell the same when no longer required for those purposes. **To authorise to sell or purchase any goods etc.**
- x) To exercise other powers not specifically mentioned in this regulation but referred to in other regulations in these articles. **To exercise powers referred to in other regulations**
- y) To determine by resolution from time to time the name of person or persons who shall be entitled to do all or any of the Acts mentioned in these regulations on behalf of the company. **To determine by resolution the name of persons to do acts on behalf of the Company**

### **Specific Duties of the Board**

- 57. a) The Board shall forward a statutory report to every member of the company in accordance with Section 165 (2) of the Act or any statutory modifications thereof. **Statutory report**
- b) The Board shall call an extra-ordinary General Meeting on requisition by members in accordance with Section 169 of the Act or any statutory modifications thereof. **Calling of extra ordinary General Meeting**
- c) There shall be attached to every Balance sheet laid before the company in general meeting a report by the Board of Directors in accordance with the provisions of section 217 of the Act or any statutory modifications thereof. **Report by Board to be attached to the Balance sheet**
- d) The Board shall cause to be laid before the company in general meeting the balance sheet and profit and loss account in accordance with the provisions of Section 210 of the Act or any statutory modifications thereof. **Balance Sheet and profit and loss account to be laid before the Company**
- e) The Board shall cause the keeping at its registered office registers and documents mentioned in section 49,118,136, 143, 150,151,152,158,161,193,209,301,302,307,347,356 to 360, 372, 416 and 418 of the Act or any statutory modification thereof. **Keeping of registers and documents**
- f) The Board shall cause to be sent to the Registrar as and returns mentioned in sections 17, 18, 21 ,44, 60, 70, 75, 95 ,97,103, 107, 125, 127, 135,138, 146, 149, 156, 157, 159, 161, 165, 192, 220, 264, 276, 303, 391, and 404 of the Act or any statutory modification thereof. **Returns to Registrar**

**Giving copies of documents to members and others**

g) The Board shall cause giving copies of documents to any member or to any other person in accordance with the provisions of the section 39,18,163,219,225,284,339,read with 379, 393 and 419 of the Act or any statutory modifications thereof.

**To send abstracts and memorandum referred to in Section 302**

h) The Board shall cause the dispatch of abstracts and memorandum referred to in section 302 in accordance with the provisions contained therein or any statutory modifications thereof.

**Minutes to be kept**

i) The directors shall cause the minutes of the proceedings of general meeting and of the Board and other meetings to be kept in accordance with provisions of section 193 of the Act or any statutory modifications thereof.

**Powers under Section 292 of the Act**

59.a) The Board shall exercise the following powers on behalf of the Company only by means of resolutions passed at meetings of the Board:

i) the power to make calls on shareholders in respect of money unpaid on their shares;

ii) the power to issue debentures;

iii) the power to borrow money otherwise than on debentures;

iv) The power to invest the funds of the company; and

v) the power to make loans, and shall exercise these powers in accordance with Section 292 or any statutory modification thereof.

**Powers under Sec. 262,297,316,386 and 488 to be exercised in Board's Meetings**

b) The Board shall also exercise the powers mentioned in Sections 262, 297, 316, 372, 386 and 488 of the Act only at meetings of the Board and in accordance with the provision of these Sections or any statutory modifications thereof.

**Questions to be decided by majority of votes except under these sections requiring unanimous resolution.**

60. a) Subject to the provisions of Sections 316,372 and 386 of Act requiring unanimous resolution of the Board of Directors, questions arising at any meeting of the Board shall by unanimous resolution be decided by a majority of votes.

**Chairman's casting vote**

b) In case of an equality of votes, the Chairman of the Board, any, shall have a second or casting vote.

**Passing of resolution by circulation**

61. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers if any to all the directors or to all the members of the committee then in India (not being less number than the quorum fixed for a meeting of the Board or the committee as the case may be) and to all other directors or members at their usual address in India has been approved by such of the directors as are in India, or by majority of such of them as are entitled to vote on the resolution.

### **Restrictions on the powers of the Board**

62. a) The Board shall not exercise the powers referred to in Section 293 without the consent of the Company in general meeting and only to the extent mentioned therein or any statutory modifications thereof.
- b) In the appointment of sole selling agents for any area, the Board shall conform to the provisions of Section 294 of the Act or any statutory modifications thereof.
- c) In giving loans to Directors and other persons mentioned in Section 295 (i) of the Act the Board shall conform to the provisions of the section or any statutory modifications thereof.

**Disposal of the undertaking of the Companies etc. referred to in Sec. 293**

**Restrictions on the powers of the Board in the appointment of sole selling agents**

**Restrictions on the powers of the Board in giving loans etc.**

### **Proceedings of the Board**

63. a) The Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it think fit, provided however the Board shall meet once in every three calendar months in accordance with Section 285 of the Act or any statutory modifications thereof.
- b) A director, may and the Manager or Secretary on the requisition of a Director shall at any time summon a meeting of the Board.
- c) The Board shall cause notice to be circulated to every director of the Company who is for the time being in India in accordance with Section 286 of the Act or any statutory modifications thereof.
- d) The quorum for a meeting of the Board shall be two directors or one-third of its total strength whichever is greater as provided for in Section 287 of the Act.
- e) The continuing directors may act notwithstanding any vacancy in its body but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing director or directors may act for the purpose of increasing the number of directors to that fixed for the quorum or of summoning a General Meeting of the Company, but for no other purpose.
- f) The Board may elect a Chairman of its meetings and determine the period for which he is to hold office.
- g) If no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairman of the meeting.
64. The Directors may from time to time appoint, and at their discretion remove, a person (hereinafter called the 'Secretary') to perform any functions which by the Act or the Articles for the time being of the Company are to be performed by the Secretary, and to execute any other duties which may from time to time be assigned to the Secretary by the Directors.

**Board when to meet**

**Who can summon a meeting**

**Notice of meeting to be sent to every director**

**Quorum for the meeting of the Board**

**Procedure to be adopted if there is no quorum**

**Chairman of the Board**

**Choosing of Chairman by directors present**

**Secretary**

The Directors may also at any time appoint some person (who need not be the Secretary), to keep the registers required to be kept by the Company.

## VII Manager

Appointment of Manager.

65. Subject to the provisions of Section 197A of the Act, the Company may appoint a person as manager, provided however no firm, body corporate or association shall be appointed manager.

Certain persons not to be appointed Manager.

66. In the appointment of a person as manager of the Company provisions of Sections 385 and 386 of the Act or any statutory modifications thereof shall be complied with.

Prohibition of assignment of office

67. Any assignment of office by the manager of the Company shall be void.

Term of office of manager.

68. No person shall be appointed manager of the Company for more than a period of five years and in making such appointment, provisions of Section 317 and Section 388 of the Act or any statutory modifications thereof shall be complied with.

## VIII Remuneration of Directors, Manager & Employees

Managerial remuneration maximum and minimum subject to sec. 198

69. a) Payment of remuneration to director including managing and whole-time director, and manager, if any, shall be subject to the provisions of Section 198 of the Act or any statutory modifications thereof.

Remuneration of Employees

b) In fixing the remuneration of employees of the Company other than directors, and manager, the provisions of Section 199 and 200 of the Act or any statutory modifications thereof shall be complied with.

Remuneration of Directors

70. In fixing the remuneration of directors including managing and whole-time directors the provisions of Sections 309, 310, 311 and 198 of the Act or any statutory modifications thereof shall be complied with and until the Company otherwise resolves they shall receive such remuneration as may be fixed by the Board of Directors from time to time provided however the sitting fee for a Board of Directors from time to time provided however the sitting fee for a Board meeting not exceed Rs. 1,000/- This amount is exclusive of travelling expenses, hotel and other expenses as may be sanctioned by the Directors.

Remuneration of manager payable either by monthly payment or percentages of profits or both

71. The manager of the Company may subject to the provisions of Sections 198, 310 and 311 of the Act or any statutory modifications thereof receive remuneration either by way of monthly payment or by way of specified percentage not exceeding 5% of the net profits of the Company calculated in the manner laid down in Sections 349, 350 and 351 of the Act or partly by the one way and partly by the other.

## IX Audit

72. Auditors shall be appointed and their duties regulated in accordance with Sections 224 to 233 of the Act both inclusive of any statutory modifications thereof.

**Appointment of auditors and regulations of their duties**

## X The Seal

73. a) The Board shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given and in the presence of a Director of the Company.
- b) Every Deed or other instrument to which the Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney, be signed by one Director.

**Safe custody of the sea**

## XI Dividends and Reserve

74. The Company in General Meeting may declare dividends but no dividends shall exceed the amount recommended by the Board.
75. The Board may from time to time pay to the members such interim dividends as appear to be justified by the profits of the Company.
76. a) The Board may, before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as reserve or reserves which shall, at the discretion of the Board be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends, and pending such application may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time think fit.
- b) The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.
- c) Subject to the rights of the persons if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.
- d) No amount paid or credited as paid on a share in advance of calls be treated for the purposes of this regulation as paid on the share.

**Declaration of dividend**

**Payment of Interim dividends**

**Reserve**

**Power to carry forward profits**

**Dividend only from profits**

**Amount paid in advance of calls**

- Distribution of dividend**
- e) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- Deduction from dividends**
77. a) The Board may retain and deduct from any dividend payable to any member all sums of money, if any presently payable by him to the Company on account of calls, or otherwise in relation to the shares of the Company.
- b) The Directors may retain the dividends payable upon share or stock in respect of which any person is under the transmission clause, entitled to become a member or which any person under that clause is entitled to transfer until the person shall become a member in respect of such shares or stock or shall duly transfer the same.
- Mode of payment of dividends or bonus**
78. a) Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus, wholly or partly by the distribution of specific assets and the Board shall give effect to the resolution of the meeting.
- b) Where any difficulty arises in regard to such distribution the Board may settle the same as it thinks expedient and in particular may issue fractional certificates and fix the value for distribution what cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may in writing direct.
- Power of the Board to distribute dividends**
- c) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the holder or in the case of joint holders to the registered address of the one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.
- Payment by warrant**
- d) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- Warrant payable to whom**
- e) Any one of two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such share.
- Receipts for dividends etc, in case of joint holders**
- f) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- Notice of dividend**
- g) No dividend shall bear interest against the Company.
- Unclaimed dividends**
- h) That the unclaimed dividends will not be forfeited and in case of such unclaimed dividends the procedure as prescribed under the provisions of Section 205A of the Companies Act will be followed.

## **XII Accounts**

79. a) The Board shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members not being director.
- b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by these regulations or authorised by the Board or by the Company in General Meeting.

**Inspection by members**

**Restriction on inspection by members**

## **XIII Capitalisation of Profits**

80. a) The Company in General Meeting may, upon the recommendation of the Board resolve:

**Capitalisation**

- i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Profit and Loss Account or otherwise available for distribution and
- ii) that such sum be accordingly set free for distribution in the manner specified in Clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

- b) The sum aforesaid shall not be paid in cash but shall be applied, subject to provision contained in Clause (c) either in or towards:

**Mode of payment**

- i) paying up any amounts for the time being unpaid on any shares held by such members respectively,
- ii) paying up in full, unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid, or
- iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

- c) A Share Premium account and a capital redemption reserve fund may, for the purpose of this regulation only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

**Application of share premium account and capital redemption reserve fund**

- d) The Board will give effect to the resolution passed by the Company in pursuance of this regulation.

**Board to give effect to the resolution**

81. a) Whenever such a resolution as aforesaid shall have been passed the Board shall;

**Appropriation and application of undivided profits**

- i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotment and issue of fully paid shares or debentures, if any, and

**Board's power in cases of fractional distribution of shares or debentures.**

- ii) generally do all acts and things required to give effect thereto
- b) The Board shall have full power:
  - i) to make such provision by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions; and also
  - ii) to authorise any person to enter, on behalf of all members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment of by the Company on their behalf, by application thereto of their respective proportions of the proceeds resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- c) Any agreement made under such authority shall be effectual and binding on all such members.

**Secrecy clause**

#### **XIV Secrecy**

82. a) Every director, manager, auditor, trustee, members of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall if so required by the directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting transactions of the Company with its customers and the statements of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- b) No member or other person (unless he is a director or other person in management of the affairs of the Company) can inspect or examine the Company's premises or properties of the Company without the permission of the directors of the Company or officers authorised by the directors for the time being and to require discovery of or any information respecting in detail, of the Company's trading any matter which is or may be in the nature of a trade secret, mystery of trade or secret process of any matter whatsoever which may relate to the conduct of the Company and which in the opinion of the directors, officers authorised by directors, it will be inexpedient in the interest of the members of the Company to communicate.

**Restrictions imposed on persons other than director and officers in management**

## **XV Winding up**

83. a) If the Company shall be wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the act divide amongst the members in specie or kind the whole or any part of the assets of the Company whether they shall consist of the property of the same kind or not.
- b) For the purpose aforesaid, the liquidator may set such value as deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- c) The liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit, but that no member shall be compelled to accept any share or other securities whereon any liability.

**Winding up**

**Liquidator's power to fix value and divide property**

**Liquidator's power to vest property in trustees**

## **XVI Indemnity**

84. Every officer or agent for the time being the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending himself against any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 in which relief is granted to him by the Court.
85. Subject to the provisions of Section 201 of the Act no Director of the Company, Managing Director, Managers or other officers of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act of conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, Company or corporation or for securities of effects shall be entrusted or deposited or for any loss occasioned by an error of judgement or oversight on his or their part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his or their office or in relation thereto, unless the same happen through his own dishonesty.

**Indemnity Clause**

**Responsible for acts of others**

Sl. No.	Names, Addresses, Description and Occupation of the subscribers	Signature of the Subscribers	Signature of Witnesses with Addresses and Occupations
1.	G. S. GUPTA S/o Late Banarasilal Pasari 28, Wellington Street Cross Road Richmond Town, BANGALORE-560025 BUSINESS	Sd/-	
2.	S. S. GUPTA S/o Late Banarasilal Pasari 701, H, Block B, New Alipur CALCUTTA-700053 BUSINESS	Sd/-	
3.	P. K. GUPTA S/o Late Banarasilal Pasari 701, H, Block B, New Alipur CALCUTTA-700053 BUSINESS	Sd/-	
4.	T. K. GUPTA S/o G. S. Gupta 28, Wellington Street Cross Road Richmond Town, BANGALORE-560025 BUSINESS	Sd/-	
5.	K. K. GUPTA S/o G. S. Gupta 28, Wellington Street Cross Road Richmond Town, BANGALORE-560025 BUSINESS	Sd/-	
6.	Mrs. K. D. GUPTA W/o Mr. G. S. Gupta 28, Wellington Street Cross Road Richmond Town, BANGALORE-560025 HOUSE WIFE	Sd/-	
7.	Mrs. K. GUPTA W/o S. S. Gupta 701, H, Block B, New Alipur CALCUTTA-700053 HOUSE WIFE	Sd/-	<p>Sd/- N. SRINIVASAN S/o Late Sri. M. Narasimha Iyengar Chartered Accountant Partner BADARI, MADHUSUDHAN &amp; SRINIVASAN CHARTERED ACCOUNTANTS 36, 1st Floor, Kanakapura Road Basavanagudi, BANGALORE - 560 004</p>

Dated this the 11th day of November 1991 at Calcutta