

[THE COMPANIES ACT, 1956]

PUBLIC COMPANY LIMITED BY SHARES

## ARTICLES OF ASSOCIATION OF Narmada Gelatines Limited

### 1. Interpretation

Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which the Articles become binding on the Company.

The marginal notes hereto shall not affect the construction thereof and in this presents, unless there be something in the subject or context inconsistent therewith :

"The Act" means the Companies Act, 1956 (I of 1956)

"The Company" means Narmada Gelatines Limited.

"The Directors" mean the Directors for the time being of the Company.

"The Board of Directors" or the "Board" means the Board of Directors for the time being of the Company but for the purposes of Articles 14 to 19 herein, relating to the issue of share certificates, the "Board" shall mean the Board of Directors, of the Company as defined in Article 20 hereinafter.

"The Office" means the Registered office for the time being of the Company.

"Register" means the Register of members to be kept pursuant to Section 150 of the Act.

"The Registrar" means the Registrar of Companies.

"Dividend" includes bonus.

"Month" means calendar month.

"Seal" means the Common Seal of the Company.

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"Registered Owner" means a Depository whose name is entered as such

in the Register of the Company.

"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 certificate 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 SEBI from time to time.

"DRF" means Dematerialisation Request Form.

"RRF" means Rematerialisation Request Form.

"DP" means Depository Participant.

Words importing the singular number also include the plural number and vice versa.

Words importing persons include corporations.

## **2. Table 'A' Not to apply**

Save as reproduced herein the Regulations contained in Table 'A' in the First Schedule to the Act shall not apply to the Company.

## **3. Company not to purchase its own shares**

Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of, or lent on the security of shares of the Company and the Company shall not give, directly or indirectly, any financial assistance whether by way of loan, guarantee, the provision of security or otherwise, for the purchase of or in connection with any purchase of or subscription for shares in the Company or any company of which it may, for the time being, be a subsidiary.

This Article shall not, however, be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise its lien conferred by Article 38.

### **3A. Company's powers to purchase its own securities**

Notwithstanding anything contained in these Articles or the Act, the Company may purchase its own shares or other specified securities which may be referred to "Buy Back" in such manner, subject to such limits and upon such terms and condition as specified under Section 77A, 77AA and 77B of the Act.

## **CAPITAL AND SHARES**

### **CAPITAL**

4. (i) The Capital of the Company is Rs. 20,00,00,000/- divided into 1,00,00,000/- equity shares of Rs. 10/- each and 1,00,00,000/- redeemable preference share of Rs. 10/- each.

(ii) The following provisions shall apply of the Cumulative Redeemable Preference Shares :

- 1) The aforesaid preference shares shall carry a fixed cumulative preferential dividend of 9% on the capital paid up thereon and the right in winding up to repayment of capital and arrears of dividend, declared or not, down to the commencement of winding up in priority of the Equity Shares in the capital of the Company, but not confer any further right to participate in profits or assets.
- 2) The preference shares shall be redeemed out of profits of the Company which may lawfully be applied for that purpose or out of the proceeds of a fresh issue of shares made for the purpose of redemption, the whole of the said Shares at par together with a sum equal to the arrears, if any, of the fixed dividend thereon down to the date of redemption thereof in five years in the following manner :  
 At the end of 3rd year - one third of the face value  
 At the end of fourth year - one third of the face value  
 At the end of fifth year - Balance of the face value together with accumulated dividend.

## 5. Allotment of Shares

Subject to the provisions of these Articles the share shall be under the control of the Board who may allot or otherwise dispose of the same to, such persons on such terms and conditions, and at such consideration as the Board thinks fit, and where the shares are issued at premium, the provisions of Section 78 shall be complied with. 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.

## 6. Return of Allotments

As regards all allotments made from time to time the Company shall duly comply with Section 75 of the Act.

## 7. Restriction on Allotments

If the Company shall offer any of its shares to the public for subscription:

- (a) No allotment thereof shall be made, unless the amount stated in the prospectus as the minimum subscription has been subscribed, and the sum payable on application thereof has been paid to and received by the Company, but this provision shall no longer

apply after the first allotment of shares offered to the public for subscription,

- (b) The amount payable on application on each share shall not be less than 5 per cent of the nominal amount of the share.

#### **8. Commission and Brokerage**

The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid, shall be disclosed in the manner required by the said Section and such commission shall not exceed 5 percent of the price at which any shares, in respect where of the same is paid, are issued or 2.5 percent of the price at which any debentures are issued (as the case may be). Such 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. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

#### **9. Shares at a Discount**

With the previous authority of the Company in General Meeting and the sanction of the Court and upon otherwise complying with Section 79 of the Act, the Board may issue at a discount shares of a class already issued.

#### **9A. Issue of sweat equity shares**

Notwithstanding anything contained in these Articles and Section 79 of the Act, the Company may issue sweat equity shares of a class of shares already issued fulfilling the conditions as enumerated under Section 79A of the Act.

For the purpose of the provisions of this Article, the expression "Sweat equity shares" shall mean equity shares issued by the Company to employees or directors at discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

**9B.** All the limitations, restrictions and provisions relating to equity shares shall be applicable to such sweat equity shares issued under the Act.

#### **10. Instalments on shares to be duly paid**

If, by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the member registered in respect of the shares, or by his executor or administrator.

#### **11. Joint Holders**

Where two or more person are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same

as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles :

- (a) The Company shall be entitled to decline to register more than four persons as holders of any share.
- (b) The Joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such shares.
- (c) On the death of any one or more of such joint holders, the survivor or survivors shall be the only, person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

**(d) Receipts of one sufficient**

As one of such joint holders may give effectual receipts of all dividends, bonuses or other moneys payable in respect of such share.

**(e) Delivery of Certificate and giving of notices to first named holder**

Only the person whose name stand first in the Register of Members as one of the joint holders of any shares shall be entitled to delivery of the certificate relating to such share or to receive notices (which expression shall be deemed to include all documents from the Company) and notice given to such person shall be deemed notice to all the joint holders.

- (f) Any one of two or more joint holders may vote at any meeting either personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such shares as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney, that one of such persons present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof provided always that a person present at any meeting personally shall be entitled to vote in preference to a person, present by an agent duly authorised under power of attorney or by proxy, although the name of such persons present by an agent or proxy stands first on the register in respect of such shares. Several executors of a deceased member in whose (deceased members) sole name any share stands shall for the purpose of this sub-clause be deemed joint holders.



**12. Trusts not recognised**

Save as herein otherwise provided the Company shall be entitled to treat the member registered, in respect of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of Competent Jurisdiction, or as by statute required, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.

**13. Who may be registered**

Shares may be in the name of any person, company or other body corporate.

**13A. Nomination of Shares**

Notwithstanding anything contained in these Articles or the Act, every holder of Shares in, or holder of Debentures of the Company may, at any time, nominate, in the prescribed manner, in pursuance of the provisions of Section 109A of the Act, a person to whom his shares in, or Debentures of, the Company shall vest in the event of his death and where the shares in or Debentures of, the Company are held by more than one person jointly, the joint holders may together-nominate, in the prescribed manner, a person to whom all the Right in the Shares in or Debentures of the Company shall vest, in the event of death of all the joint holders.

**SHARE CERTIFICATES****14. Issue of Share Certificate**

(1) When the Company issues any Capital, no certificate of any share or shares in the Company shall be issued except :

- (i) in pursuance of a resolution passed by the Board; and
- (ii) on surrender to the Company of its letter of allotment or of its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation, or in cases of issue of bonus shares.
- (iii) Upon presentation of RRF through the DP and upon confirmation by the Depository on that behalf.

Provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable 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 Board thinks fit.

- (2) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn-out, or where the pages on the reverse for recording

transfers, have been fully utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.

Provided that the Company may charge fee, if any, not exceeding Rs. 2/- per certificate issued on splitting or consolidation of share certificates or in replacement of share certificates that are defaced or torn, as the Board thinks fit.

- (3) No duplicate share certificates shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board or without payment of such fees, if any, not exceeding Rs.2/-, and on such reasonable 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 Board thinks fit.

#### 15. Form of Certificates

- (1) Every certificate shall specify the name(s) of the person(s) in whose favour the certificate is issued, the shares to which it relates and the amount paid-up thereon.
- (2) When any certificate is issued in any of the circumstances specified in Article 14(2) above, it shall state on the face of it and against the stub or counter foil to the effect that it is "Issued in lieu of share certificate No..... sub-divided/replaced/ on consolidation of shares".
- (3) When any certificate is issued in any of the circumstances specified in Article 14(3) above, it shall state on the face of it and against the stub or counterfoil to the effect that it is a duplicate issued in lieu of share certificate No. .... Further, the word 'duplicate' shall be stamped or punched in bold letters across the face of the share certificate.

#### 16. Sealing and signing of Certificate

Every share certificate shall be issued under the Seal of the Company, which shall be affixed in the presence of (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney; and (ii) the Secretary or some other person appointed by the Board for the purpose. The two Directors or their Attorneys and the Secretary or other person shall sign the share certificate.

Provided that, if the composition of Life Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or Whole time Director or a Director appointed by the Managing Agent in pursuance of Section 377 of the Act or a Director to whom Section 261 of the Act applies.

#### *Explanation*

For the purpose of this Article, a Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not

by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

#### **17. Records of Certificate issued**

(1) Particulars of every share certificate issued in accordance with Article 14 (1) above, and cancelled and reissued in pursuance of the provisions of the Depositories Act, 1996, shall be entered in the Register of members maintained in the form set out in the Appendix annexed to the Companies (Issue of Share Certificate) Rules, 1960 or in a form as near thereto as circumstances admit, against the name(s) of person(s) to whom it has been issued, indicating the date of issue.

(2) Particulars of every share certificate issued in accordance with Article 14(2) and 14(3) above shall be entered in a register of Renewed and Duplicate Certificate indicating against the name(s) of the person(s) to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by Suitable cross-references in the "Remarks" column.

(3) All entries made in the Register of Members or the Register of Renewed and Duplicate Certificates shall be authenticated by the Secretary or such other person as may be appointed by the Board for the purpose of sealing and signing the share certificate under the provisions of Article 16 above.

(4) Particulars of all DRF and RRF received in accordance with the provisions of the Depositories Act, 1996, shall be entered into such records, in such manner and in such form as may be provided in the Depositories Act, 1996, and the rules and guidelines framed thereunder for the time being in Force.

#### **18. Printing of Forms**

All blank forms to be used for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank form shall be consecutively machine-numbered and the Forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms, shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose; and the Secretary or other person aforesaid shall be responsible for rendering all account of these forms to the Board.

#### **19. Custody of Books and Documents**

(1) The following persons shall be responsible for the maintenance, preservation and safe-custody of all books and documents relating to the issue of Share certificates except the blank forms of share certificates referred to in Article 18, namely :



- (i) When the Company has a managing agent or secretaries and treasurers, such managing agent or secretaries and treasurers ;
- (ii) When the managing agent or secretaries and treasurers are a firm, every partner in the firm ;
- (iii) When such managing agent or secretaries and treasurers are a body corporate, every director or such body corporate ;
- (iv) When the Company has no managing agent or secretaries and treasurers but has managing director, the managing director ; and
- (v) When the Company has no managing agent, secretaries and treasurers or managing director, every director of the Company.
- (vi) When the Company has entered into an agreement with Depository, the Registrars and Transfers Agent of the Depository and the Company.

(2) All the books referred to above shall be preserved in good order permanently and all certificates surrendered to the Company shall immediately be defaced by word 'cancelled' being stamped or punched in bold letters and may be destroyed after the expiry of three years from the date on which, they are surrendered, under the authority of a resolution of the Board and in the presence of a person duly appointed by the Board in this behalf.

20. For the purpose of Articles 14 to 19 above, the 'Board' means the Board of Directors of the Company or a committee thereof consisting of not less than three Directors.

Provided that, to the extent that the composition of the Board of Directors permits of it, at least half of the members of the Committee shall consist of Directors other than (i) a Managing or Wholtime Director or, (ii) when the Company has a Managing Agent, the Director appointed by the Managing Agent in pursuance of Section 377 of the Act, or a Director to whom Section 261 of the Act applies.

## CALLS

### 21. Calls

The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively; and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.

**22. Notice of Call**

Fourteen days notice at the least shall be given by the Company of every call made payable otherwise than on allotment, specifying the time and place of payment, and to whom such call shall be paid.

23. The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members, who on account of residences at a distance or other cause, may be deemed entitled to such extension.

**24. Restriction on power to make calls and notice**

(Deleted by Special Resolution Passed at the Annual General Meeting held on 28th September, 1994)

**25. When interest or call on instalment payable**

If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the member for the time being registered in respect of the share for which the call shall have been made or the instalment shall be due, shall pay such rate of interest as may be determined by the Board from the day appointed for the payment thereof to the time of actual payment, or at such lower rate (if any) as the Board may determine and the Board shall have power to waive interest or any part thereof.

**26. Amount payable at fixed times or payable by instalments as calls**

If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalment at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

**27. Evidence in actions by Company against members**

On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the register as a member or one of the members in respect of share for which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

**28. Payment of calls in advance**

The Board may if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by

him beyond the sums actually called for, and upon the money as paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls, then made upon the share in respect of which such advance has been made, the Company may pay interest at such a rate not exceeding 6 percent per annum as the member paying such sum in advance and the Board agrees upon. Money so paid in excess of the amount of calls shall not rank for dividends or participate in the profits of the Company. The Board may at any time repay the amount so advanced upon giving to such member not less than 3 months notice in writing.

#### **29. Revocation of Call**

A call may be cancelled, revoked or postponed at the discretion of the Board.

### **FORFEITURE AND LIEN**

#### **30. If call or instalment not paid notice may be given**

If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

#### **31. Form of Notice**

The Notice shall name a day (not being earlier than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the share in respect of which such call was made or instalments is payable will be liable to be forfeited.

#### **32. If notice not complied with share may be forfeited**

If the requisitions of any such notice as aforesaid be not complied with, any share in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

#### **33. Notice after Forfeiture**

When any share shall have been so forfeited, notice of the resolution shall be given to the members in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

**34. Forfeited share to become property of the Company**

Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same, in such manner as it thinks fit.

**35. Power to annual forfeiture**

The Board may, at any time before any share so forfeited shall have been sold, re-allocated or otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit.

**36. Liability on forfeiture**

A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or instalments, interest and expenses, owing upon or in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate of interest as may be determined by the Board and the Board may enforce the payment thereof or any part thereof, without any deduction or allowance for the value of the share at the time of forfeiture but shall not be under any obligation to do so.

**37. Evidence of forfeiture**

A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have 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 Shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a good title to such shares; and the person to whom any such shares is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

**38. Company's lien on shares**

The Company shall have a first and paramount lien upon every share, not being fully paid up, registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not, and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of each share. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien if any, on such share.



**39. Enforcing lien by sale**

For the purpose of enforcing such lien, the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at fixed time in respect of such share for seven days after the date of such notice.

**40. Application of proceeds of sale**

The net proceeds of the sale shall be received by Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

**41. Validity of sales in exercise of lien and after forfeiture**

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of proceedings, nor to the application of purchaser money. And after his name has been entered in the Register in respect of such share, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale, shall be in damages only and against the Company exclusively.

**42. Board may issue New Certificate**

Where any share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former member in respect of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit, from the certificate not so delivered up.

**42A. Dematerialisation of Securities**

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

**42B. Options to Investors**

Every person subscribing its securities offered by the Company shall have the option to receive security certificate or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, in respect of any security in the manner provided by the Depositories Act, 1956 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the

required certificate of securities. If a person opts to hold his security with a Depository, the Company shall intimate to such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security.

#### **42C. Securities in Depositories to be in fungible form**

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

#### **42D. Rights of Depositories**

- (i) Notwithstanding anything to the contrary contained in the Companies Act, 1956, or these Articles, a Depository shall be deemed to be, the registered owner for the purpose of ownership of securities on behalf of the beneficial owners.
- (ii) Save as otherwise provided in (i) 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.
- (iii) 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 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.

#### **42E. Service of Documents**

Notwithstanding anything contained 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 discs.

#### **42F. Transfer of Securities**

Nothing contained in Section 108 of the Act, or these Articles shall apply to a transfer of securities effected by a transferor and transferee, when both of whom are entered as Beneficial Owners in the records of a Depository.

#### **42G. Allotment of Securities dealt with by a Depository**

Notwithstanding anything contained in the Act, or these Articles, where the securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

#### **42H. Distinctive numbers of 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 with a Depository.

#### **421. Register and Index of Beneficial Owners**

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

### **TRANSFER AND TRANSMISSION**

#### **43. Execution of transfer etc.**

Save as provided in Section 108 of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or if no such certificate is in existence, the Letter of Allotment of the Shares. The instrument of transfer of any share shall specify the name, address and occupation (if any) of the transferee, and the transferor shall be deemed to remain the member in respect of such share until the name or the transferee is entered in the Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.

#### **44. Application by transferor**

Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that, where such application is made by the transferor no registration shall, in the case of a partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

#### **45. Form of Transfer**

The Instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modifications thereto, shall be duly complied with, in respect of all transfer of Shares and registration thereof.

#### **46. Power to refuse registration**

Subject to the provisions of Section III and 11/A of the Act and the Provisions of Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may refuse to register any transfer of, or the transmission by operation of law of the right to any Share or interest of a Member in the Company. The Board may also refuse to register any transfer of shares upon which the Company has a lien and in the case of Shares not fully paid

up, the Board may refuse to register a transfer to a person of whom it does not approve.

Nothing in Sections 108, 109 and 110, shall prejudice any power of the Company under this Article to refuse to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in, or debentures of the Company.

If the Company refuses, whether in pursuance of any power under this Article or otherwise, to register any such transfer or transmission of right, it shall, within two months from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be.

**47. No transfer to person of unsound mind**

No transfer shall be made to a person of unsound mind.

**48. Instrument of transfer to be left at office and when to be retained**

Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred or if no such certificate is in existence by the letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered, shall be retained by the Company, but any instrument of transfer which the Board may refuse to register, shall be returned to the person depositing the same.

**49. Fee on registration of transfer, probate etc.**

Unless otherwise determined by the Board, no fee shall be charged for the registration of each transfer, grant of probate, grant of letter of administration, certificate of death or marriage, power of attorney or other instrument.

**50. Transmission of registered shares**

The administrator or executor of any other person becoming entitled to shares, of deceased member (not being one of several members registered jointly) shall be the only person recognised by the Company as having any title to the share registered in the name of such member, and, in case of the death of any one or more of the members registered jointly in respect of any share, the survivor shall be the only person recognised by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased member from any liability on the share held by him jointly with any other person. Before recognising any executor or administrator or such other person entitled to such shares, the Board may require him to obtain a Grant of Probate or letters of Administration or other legal representation, as the case may be, from a competent Court in India. Provided nevertheless that in any case where the Board, in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the



production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider adequate.

**51. Transfer of shares of insane, minor, deceased or bankrupt members**

Any committee or guardian of a lunatic or minor member or any person becoming entitled to or to transfer any share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board, be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share. This Article is hereinafter referred to as "The Transmission Article".

**52. Election under the Transmission Article**

- (1) If the person so becoming entitled under the Transmission Article shall elect to be registered as a member in respect 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) If the person aforesaid shall elect to transfer the same, he shall testify his election by executing an instrument of transfer of the share.
- (3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were signed by that member.

**53. Rights of person entitled to shares under the Transmission Article**

A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the member shall, subject to the provisions of the Articles and of Section 206 of the Act, be entitled to the same dividends and other advantages of which he would be entitled if he were the member in respect of the share.

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 shares, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

**53A. Transmission of Shares**

Notwithstanding anything contained in these Articles, or the Act, any person who becomes a nominee by virtue of the provisions of Section 109A.

of the Act, upon the production of such evidence as may be required by the Board and subject as to be provisions in the Act, may elect either to be registered himself as holder of the share or debenture, as the case may be, or to make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be, could be made, complying, however, with the provisions of Section 109B of the Act.

53B. Notwithstanding anything contained in these Articles or the Act, every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the records of the Depository shall be deemed to be Member of the Company.

### **INCREASE AND REDUCTION OF CAPITAL**

#### **54. Power to increase capital**

The Company in General Meeting may from time to time increase the capital by the creation of new shares of such amount as may be deemed expedient.

#### **55. On what conditions new shares may be issued**

Subject to the provisions of Section 80, 81 and 85 to 90, the new shares shall be issued upon such terms and conditions, and with such rights and privileges attached thereto as the General Meeting creating the same shall direct, and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.

#### **56. Provisions relating to the issue**

Before the issue of any new shares, the Company in General Meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, subject to the provisions of Section 79 of the Act, at a discount; in default or any such provisions, or so far as, the same shall not extend, the new shares may be issued in conformity with the provisions of Article 5. The provisions of Sec.81 of the Act shall, however, be complied with regard to the offer of such shares.

#### **57. How far new shares to rank with existing shares**

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the Capital existing at the time and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and, transmission, forfeiture, lien and otherwise.

#### **58. Inequality in number of new shares**

If, owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the appointment of such new shares, or any of them amongst the members such difficulty shall, in the absence of

any direction in the resolution creating the shares or by the Company in General Meeting, be determined by the Board.

#### **59. Reduction of Capital, etc.**

The Company may from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Fund or Share Premium Account in any manner and with and subject to any incident authorised and consent required by law.

### **ALTERATION OF CAPITAL**

#### **60. Power to sub-divide and consolidate shares**

The Company in General Meeting may from time to time :

- (a) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (b) sub-divide its existing 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 shall be the same as it was in the case of the share from which the reduced share is derived.
- (c) cancel any shares which at the date of 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.

#### **61. Rights upon a sub-division**

The Resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the other or others, subject nevertheless, to the provisions of Section 87, 88 and 106 of the Act.

#### **62. Surrender of Shares**

Subject to the provisions of Sections 100 to 104 inclusive of the Act the Board may Accept from any member the surrender, on such terms and conditions as shall be agreed, of all or any of his shares.

### **MODIFICATION OF RIGHTS**

#### **63. Alternation of right of holders of special classes of shares**

Where the share capital of the Company is divided into different classes of shares, all or any of the rights and privileges attached to the share of any class may, subject to the provisions of Section 106 of the Act, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed

at a separate meeting of the holders of the issued shares of that class, and all the provisions hereinafter contained as to General meetings shall *mutatis mutandis*, apply to every such meetings, except that the quorum thereof shall not be less than two persons holding or representing by proxy one-fifth of the nominal amount of the issued shares of the class. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

## **BORROWING POWERS**

### **64. Power to Borrow**

The Board may, from time to time, at its discretion, subject to the provisions of Sections 292 and 293 of the Act, raise or borrow from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company; provided that the Board shall not, without the sanction of a General meeting, borrow any sum of money which, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

### **65. Conditions on which money may be borrowed**

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture stock, or any mortgage, or other security on the undertaking or the whole or any part of the property of the Company both present and future, including its uncalled capital for the time being.

### **66. Issue of Debenture etc. at discount or with special privileges**

Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment, of shares, appointment of Directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued provided that the debentures with the right to allotment of or conversion into shares shall not be issued, without the sanction of the Company in General Meeting.

### **67. Transfer of Debentures**

Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.



**68. Notice of refusal to register transfer of debentures**

If the Board refuses to register the transfer of any debentures, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

**GENERAL MEETINGS****69. When Annual General Meeting to be held**

In addition to any other meetings required under or permitted by the Act, general meetings of the Company shall be held within such intervals as are specified in Section 166 of the Act and, subject to the provisions of Section 166(2) of the Act, shall be called for a time during business hours, on a day that is not a public holiday and shall be held either at the registered office of the Company or at some other place within Jabalpur, as may be determined by the Board. Each such general meeting shall be called an Annual General Meeting and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall be called an "extraordinary general meeting".

**70. When Extraordinary General Meeting to be called**

The Board may whenever it thinks fit call an extraordinary general meeting, and it shall, on the requisition of such number of members as hold, at the date of the deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carried the right of voting in regard to the matter to be considered at the meeting, and in the case of each requisition the following provisions shall apply :

- (1) The requisition shall state the matter for the consideration of which the meeting is to be called, and shall be signed by the requisitionists and shall be deposited at the office. The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (2) Where two or more distinct matters are specified in the requisition, the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the number of members hereinbefore specified.
- (3) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters on a day not later than forty-five days from the date of deposit, the requisitionists or such of them as are enabled to do so by virtue of Section 169(6)(b) of the Act, may themselves call the meeting but any meeting so called shall not be held after three months from the date of deposit of the requisition. Nothing herein shall, however, be deemed to prevent a meeting duly convened before

the expiry of 3 months aforesaid from adjourning to some day after the expiry of that period.

- (4) Any meeting called under this Article by the requisitionists shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board.
- (5) Where two or more person hold any shares jointly a requisition or notice calling a meeting signed by one or some one of them shall for the purposes of this Article have the same force and effect as if it has been signed by all of them.
- (6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as are in default.

#### **71. Circulation of members resolutions**

The Company shall observe and comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.

#### **72. Notice of Meeting**

Save as provided in sub-section (2) of section 171 of the Act not less than twenty-one days notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of "special business" as hereinafter defined there shall be annexed to the notice a statement complying with Section 173 (2) and (3) of the Act.

Notice of every meeting of the Company shall be given to every member of the Company, to the Auditors of the Company and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such persons.

The accidental omission to give any such notice to or the non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

#### **73. Business of Meetings**

The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration

and to declare dividends. All other business transacted at an Annual general Meeting and all business transacted at any Meeting shall be deemed special business.

**74. Quorum to be present when business commenced**

No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members present in person shall be a quorum.

**75. When, if quorum not present, meeting to be dissolved and when to be adjourned**

If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if called upon the requisition of members, shall be dissolved, but in any other case it 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 time and place as the Board may by notice appoint and if at such adjourned meeting a quorum is not present within half an hour of the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

**76. Chairman of General Meeting**

The Chairman of the Board shall be entitled to take the chair at every General Meeting. If there is no such Chairman or if at any meeting he shall not be present within fifteen minute after the time appointed for holding such meeting, or is unwilling to act, the members present shall choose any other Director as Chairman, and if no Director is present, or if all the Directors present decline to take Chair, then the members present shall, on a show of hands or on a poll, if properly demanded, elect one of their number, being a member entitled to vote, to be Chairman of the meeting.

**77. Resolution to be passed by Company in General Meeting**

Any Act or resolution which, under the provisions of the Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or these Articles specifically require, such act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act.

**78. How questions to be decided at meeting : Casting Vote**

Every question submitted to a meeting shall be decided in the first instance by a show of hands. In the case of an equality of votes, both on a show of hands and on a poll, the Chirman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member but not otherwise.

**79. What is to be evidence of the passing of a resolution where poll not demanded**

At any General Meeting, unless a poll is (before or on the declaration

of the result of the show of hands) demanded by the Chairman of the meeting on his own motion or by at least five members having the right to vote on the resolution in question and present in person or by proxy, or any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of such resolution, or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on such resolution, being shares on which an aggregate sum has been paid which is not less than one-tenth of the total sum paid up on all the shares conferring that right, a declaration by the Chairman that the resolution has or has not been carried, or has or has not been carried either unanimously or by a particular majority; and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.

#### **80. Poll**

- (1) If a poll be demanded as aforesaid, it shall be taken forthwith on a question of adjournment or the election of a Chairman of the Meeting; and in any other case it shall be taken in such manner and at such time not being later than forty-eight hours the time, when the demand was made, and at such place as the Chairman of the meeting directs and, subject as aforesaid, either at once or after all interval or after adjournment or otherwise. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.
- (2) The demand of a poll may be withdrawn at any time.
- (3) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinisers, one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed, to scrutinise the votes given on the poll and to support to him thereon. The Chairman shall have power, at any time before the result of poll is declared, to remove a scrutiniser from office and fill vacancies in the office of scrutiniser arising from such removal or from any other cause.
- (4) On a poll a member, entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- (5) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

#### **81. Power to adjourn General Meeting and determine right to vote**

- (1) The Chairman of a General Meeting may with the consent of any meeting at which a quorum is present, and shall, if so directed,



adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

- (2) 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.

## **82. Votes of Members**

- (i) Save as herein provided, on a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of Equity Shares not entitled to vote in his own right or as a duly authorised representative of a body corporate, being a holder of Equity Shares shall have one vote.
- (ii) Save as herein provided, on a poll the voting rights of a holder of Equity Shares shall be as specified in Section 87 of the Act.
- (iii) The holders of the Cumulative Redeemable Preference Shares shall not be entitled to vote at General Meetings of the Company except as provided in Section 87 of the Act.

## **83. Votes in respect of deceased, insane and insolvent members**

Any person entitled under the Transmission Article to any share may vote at any General Meeting in respect in the same manner as if he were the member registered in respect of such share, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Board of his right to such share, unless the Board shall have previously admitted his right to vote at such meeting in respect therefore. If any member be a minor, lunatic, idiot or non compose mentis, he may vote whether by a show of hands or at a poll by his guardian, committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.

## **84. Proxies Permitted**

On a poll votes may be given either personally or by proxy, or in the case of a body corporate, by a representative duly authorised as aforesaid.

## **85. Instrument appointing proxy to be in writing**

The instrument appointing a proxy shall be in writing under the hand of the appointer or his Attorney duly authorised in writing or if such appointer is a body corporate be under its common seal or the hand of its officer or an Attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called a Special Proxy. Any other proxy shall be called a General Proxy.

A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company, shall state

this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself.

**86. Instrument appointing a proxy to be deposited at the office**

The instrument appointing a proxy and the Power-of-Attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority shall be deposited at the office not less than fortyeight hour before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

**87. When vote by proxy valid though authority revoked**

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of death, insanity, revocation of transfer of the share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

**88. Form of instrument appointing a proxy**

Every instrument appointing a proxy shall be retained by the Company and shall, as nearly as circumstances will admit, be in the form or to the effect following :

**Narmada Gelatines Limited**

I/We  
being a member of Narmada Gelatines Ltd., hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us, and on My/Our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the.....day of.....and at any adjournment thereof.

As witness my/our hand(s) this.....day of.....20  
Signed by the said

Provided always that an instrument appointing a Proxy may be in any forms set out in Schedule IX to the Act.

**89. Restrictions on voting**

No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company 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.

**90. Admission or rejection of votes**

- (1) Any objection as to the admission or rejection of a vote, either, on a show of hands, or, on a poll made in due time, shall be referred to the Chairman of the meeting who shall forthwith determine the same, and such determination so made shall be final and conclusive.
- (2) 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 purposes.

**MANAGING AGENTS****91. Appointment of Managing Agents**

Subject to the provisions of section 326 and 328 of the Act, the Company may appoint any individual, Firm or Body Corporate as Managing Agents for managing the affairs and business of the Company, who will be subject to the control, superintendence and direction of the Board of Directors, on such terms and conditions as may be agreed between the Company and the Managing Agents and approved by the Central Government.

**92. The First Managing Agents.**

Subject to the approval of the Central Government as aforesaid Messrs Sondhi Saran & Company shall be appointed the first Managing Agents of the Company provided however that the said Managing Agents shall not be entitled to appoint any director to the Board.

**93. General Management in the hand of the Managing Agents**

Subject to the provisions of the Act and these Articles, the Managing Agents shall have the general management of the business of the Company and shall have power and authority on behalf of the Company, subject to the control and supervision of the Directors, to make all purchases and sales and to enter into all contracts and to do all other things usual, necessary or desirable in the management of the affairs of the Company or in carrying out its objects and shall have power to appoint and employ or engage in or for the purposes of the transaction of the management of the affair and business of the Company or otherwise for the purposes thereof and from time to time to remove or suspend such Managers, Engineers, Maccadums, Officers, Clerks and other employees and legal Advisers as they shall think proper with such powers and duties and upon such terms as to duration of employment or engagement, remuneration or otherwise as they shall think fit.

**94. Managing Agents to have powers to sub-delegate**

Subject to the provisions of the Act, the Managing Agents shall be authorised to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them, and in particular from time to time to provide by the appointment of an attorney or attorneys for the

management and transaction of the affairs of the Company in any specified locality in such manner as they think fit.

**95. Restrictions on powers of Managing Agents - Board's previous approval**

The Managing Agents shall not exercise any of the following powers except after obtaining the previous approval of the Board of Directors of the Company in regard to each such exercise :

- (1) Power to appoint as all officer or member of the staff of the Company, payable from its funds (as distinguished from the funds of the Managing Agents or from out of any remuneration payable to the Managing Agents by the Company), any person:
  - (a) On a remuneration or scale of remuneration exceeding the limits laid down by the Board in this behalf; or
  - (b) Who is a relative of the Managing Agents or a partner or member of the Managing Agents.
- (2) Power to purchase capital assets of the Company except where the purchase price is within the limits prescribed by the Board in this behalf;
- (3) Power to sell the capital assets of the Company except where the sale price is within the limits prescribed by the Board in this behalf ;
- (4) Power to compound, or sanction the extension of time for the satisfaction of payment of any claim or demand of the Company, including any debt claimed to be due to it from the Managing Agents or any associate of the Managing Agents (the term associate to mean all associate as defined in Section 2(3) of the Act); or
- (5) Power to Compound any claim or demand made against the Company (including any debt demanded to be due from it) by the Managing Agents or any associate of the Managing Agents as aforesaid.

**96. Contracts between Managing Agent or associate and Company for the sale or purchase of goods or the supply of service etc.**

- (1) Except with the approval of the Company by special resolution, the Company shall not enter into a contract with its Managing Agents or an associate of the Managing Agents ;
  - (a) For the sale, purchase or supply of any property, movable, or immovable, or for the Supply or rendering of any service other than that of managing Agents ; or
  - (b) For the underwriting of any share or debentures to be issued or sold by the Company, and where the contract is for the supply or rendering of any service other than that of the



Managing Agents unless further the contract has been approved by the Central Government either before the date of the contract or at any time within three months next after that date. The special resolution aforesaid shall set out the material terms of the contract proposed to be entered into and shall provide specifically that for any property supplied or sold, or any services supplied or rendered, by the Company, the Managing Agents or their associate shall make payment to the Company within one month from the date of the supply or sale of the property or the supply or rendering of the service, as the case may be.

- (2) Every such contract and all particulars relating thereto shall be entered in a separate register maintained by the Company for the purpose.
- (3) Nothing containing in sub-clause 1(a) of this Article shall affect any contract or contracts for the sale, purchase or supply of any property or supply or rendering of any services in which either the Company or the Managing Agents or their associates as the case may be, regularly trade or do business, provided that the value of such property and the cost of such services do not exceed five thousand rupees in the aggregate in any calendar year comprised in the period of the contract or contracts.

#### **97. Variation of Managing Agency agreement**

Subject to the provisions of the Act, the Company may, in general meeting with the prior consent of the Central Government vary the terms of the Managing Agency agreement.

#### **98. Agreement relating to Managing Agents to be filed with Registrar**

Printed or typewritten copy of the Agreement relating to the appointment, reappointment or renewal of the appointment of the Managing Agents or varying the terms of any such agreement executed by the company and duly certified under the signature of an officer of the Company shall be filed with the Registrar of Companies within fifteen days after the making thereof, as required by Section 192 of the Act.

#### **99. Time of payment of remuneration**

The remuneration payable to the managing Agents for any financial year or part thereof except the minimum remuneration shall not be paid to them until the accounts of the Company are for such year audited and laid before the Company in general meeting provided that the minimum remuneration, if any, payable to the managing Agents may be paid to the Managing Agents in the instalments it so specified in the Managing Agency Agreement.

### **DIRECTORS**

#### **100. Number of Directors**

Until otherwise determined by the Company in the General Meeting

the number of Directors of the Company shall not be less than three or more than twelve.

**101. Proportion of directors to retire by rotation**

Subject to the provisions of Section 255 of the Act, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

**102. Subject to the provisions of Section 255 of the Act**

Messrs. P. Leiner & Sons Ltd., London, shall have a right to nominate two persons on the Board of Directors of the Company so long as they continue to hold shares of the minimum value of 20% of the paid up share capital. These persons shall continue to hold office as Directors of the Company so long as their nomination is not withdrawn by Messrs. P. Leiner & Sons Ltd. If and when any such nomination is withdrawn, M/s. Leiner & Sons Ltd. shall be entitled to nominate a substitute or substitutes within the limits of two Directors on the Board.

103. The Directors nominated by Messrs. P. Leiner & Sons Ltd. shall not be liable to retirement by rotation and, if any casual vacancy is caused by the resignation or otherwise out of these two Directors, the said vacancy shall be filled by a person nominated for this vacancy by Ms. P. Leiner & Sons Ltd. The persons so nominated need not have the requisite share qualification.

103A. So long as the loans granted by The Industrial Credit and Investment Corporation of India Ltd. (hereinafter called ICICI) and by Industrial Finance Corporation of India (hereinafter called IFC) respectively are subsisting and/or so long as ICICI and/or IFC continue hold any Equity Shares as the result of under writing and/or any Preference Shares by way of direct subscription in the Capital of the Company, ICICI and IFC shall each be entitled to appoint its nominee as a Director on the Board of the Company and to remove any such Director and to appoint any other nominee in his place and to fill any vacancy otherwise occurring in the office of such Director. The Director so appointed shall not be required to hold any share qualification if required under these Articles nor shall he be liable to retire by rotation, and he shall be entitled to receive such sitting fee as may be provided in these Articles from time to time for attending meetings of the Board together with travelling expenses in connection therewith and such sum as the Board considers fair and reasonable for attending such meetings. Any Director appointed either by ICICI or IFC as aforesaid shall, ipso facto, vacate office from the date on which the said loan granted by them is fully repaid or the said Equity or Preference Shares are fully disposed of.

**104. Power of Directors to add to their number**

The Board shall have power at any time and from time to time to appoint any person as a Director as an addition to the Board but So that the total number of Directors shall not exceed at any time, the maximum number fixed

by these Articles. Any Directors so appointed shall hold office only till the next Annual General Meeting of the Company and shall then be eligible for re-election.

#### **105. Qualification of Directors**

Unless otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares in the capital of the Company as his qualification.

#### **106. Directors fees, remuneration and expenses**

Unless, otherwise determined by the Company in General Meeting, each Director shall be entitled to receive out of the funds of the Company, such sum not exceeding the maximum permissible under Law, as may be determined by the Board from time to time, for each Meeting of the Board or any Committee thereof, attended by him. All other remuneration, if any, payable by the Company to each Director, whether in respect of his services as a Managing Director or Director in the whole or part time employment of the Company, shall be determined in accordance with and subject to the provisions of the Articles and of the Act. The Directors shall be entitled to be paid reasonable travelling, hotel and other, expenses incurred in consequence of their attending Board and Committee Meetings or otherwise incurred in the execution of their duties as Directors.

#### **107. Remuneration for extra service**

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions for the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then, subject to Sections 198, 309 and 310 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution of any other remuneration to which he may be entitled.

#### **108. Board may act notwithstanding vacancy**

The continuing Directors may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum above fixed the Board shall not, except for the purpose of filling vacancies, or convening a general meeting act so long as the number is below the minimum.

#### **109. Vacation of office of Director**

- (1) The Office of a Director shall become vacant if -
  - (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
  - (b) he applies to be adjudicated an insolvent; or
  - (c) he is adjudged an insolvent; or
  - (d) he is convicted by a Court of any offence involving moral

turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or

- (e) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call, unless the Central Government has, by notification in the official Gazette, removed the disqualification incurred by such failure; or
  - (f) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is the longer, without obtaining leave of absence from the Board; or
  - (g) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
  - (h) he acts in contravention of Section 299 of the Act; or
  - (i) he becomes disqualified by an order of Court under Section 203 of the Act, or
  - (j) he is removed from office in pursuance of Section 284 of the Act; or
  - (k) he fails to obtain within the time specified in sub-section (1) of Section 270, or at any time thereafter ceases to hold, the share qualification required of him by Article 105 of these Articles; or
  - (l) any office or place of profit under the Company or under any subsidiary of the Company is held in contravention of sub-section (1) of Section 314 of the Act and by operation of that Section he is deemed to have vacated his office; or
  - (m) having been appointed a director by virtue of his holding any office or other employment in the Company, or as a nominee of the Managing Agent of the Company, he ceases to hold such office or other employment in the Company or as the case may be Managing Agency comes to an end.
- (2) Notwithstanding any matter or thing in sub-clauses (c), (d) and (i) of Clause (1) of this Article the disqualification referred to in those sub-clauses shall not take effect :-
- (a) for thirty days from the date of adjudication, sentence or order; or
  - (b) where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentenced or conviction resulting in the sentence or order until the expiry of



seven days from the date on which such appeal or petition is disposed of ; or

- (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of.

#### **110. Directors not to hold office of profit under the Company or its subsidiary**

No Director, no partner or relative of a Director, no firm in which a Director or his relative is a partner, no private company of which a Director is a Director or member and no Director, managing agent, secretaries and treasurers or manager of such a private company shall, without the previous consent of the Company accorded by a Special resolution, hold any office or place of profit carrying a total monthly remuneration of five hundred rupees or more under the Company or under any subsidiary of the Company (unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding company), except that of a managing director, managing agents, secretaries and treasurers, manager, legal or technical advisor, banker, or trustee for the holders of debentures of the Company. The provisions of Section 314 of the Act shall, in so far their compliance would be necessary, shall be duly complied with.

#### **111. Director may retain benefits from other company**

A Director of this Company may be or become a director of any company promoted by the Company or in which it may be interested as a Vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.

#### **112. Conditions under which Directors may contract with Company**

Subject to the provisions of Section 297 of the Act, a Director shall not be disqualified from contracting with the Company either as a vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.

#### **113. Disclosure of a Director's interest**

Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, entered into or to be

entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice, renewable in the last month of each financial year of the Company, that a Director is a Director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and, after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

Nothing herein shall, however, apply to any contract or arrangement entered into or to be entered into between two companies, where any of the Directors of the one company or two or more of them together hold or hold not more than two percent of the paid up share capital in the other company.

#### **114. Discussion and Voting by Director interested**

No Director shall, as a Director, take any part in the discussion of, or vote on any Contract or arrangement in which he is in any way, whether directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to (a) any contract of indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surety for the Company; or (b) any contract arrangement entered into or to be entered into by the Company with a public company, or with a private company which is a subsidiary of a public company, in which the interest of the Director consists solely in his being a director of such company and the holder or not more than shares of such number of value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company, or in his being a member holding not more than two percent of its paid up share capital.

### **ROTATION OF DIRECTORS**

#### **115. Rotation and Retirement of Directors**

At each Annual General Meeting of the Company onethird of, such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to onethird shall retire from office.

#### **116. Which Directors to Retire**

The Directors to retire by rotation at every Annual General Meeting, shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

### **117. Appointment of Directors to be voted on individually**

Save as permitted by Section 263 of the Act every resolution of a General Meeting for the appointment of a Director shall relate to one named individual only.

### **118. Meeting to fill up vacancies**

The Company at the Annual General Meeting at which a Director retires by rotation in manner aforesaid may fill up the vacated office by appointing the retiring Director or some other person thereto.

If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless

- (a) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the vote and lost; or
- (b) the retiring Director has by notice in writing addressed to the Company or the Board expressed his unwillingness to be reappointed; or
- (c) he is not qualified or is disqualified for appointment; or
- (d) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or
- (e) the provision to sub-section (2) of Section 263 or sub-section (3) of Section 280 of the Act is applicable to the case.

### **119. Power to remove Director by ordinary Resolution on Special Notice**

The Company may, subject to the provisions of Section 284 of the Act, by Ordinary Resolution of which Special Notice has been given, remove any Director before the expiration of his period of office and may by ordinary resolution of which Special Notice has been given, appoint another person in his stead, if the Director so removed was appointed by the Company in General Meeting or by the Board in pursuance of Section 262. The person so appointed shall hold office until the date up to which his predecessor would have held office if he had not been so removed. If vacancy created by the removal of a Director under the provision of this Article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy as a casual vacancy under the next Article (Article 120) and the provisions of Section 262 of the Act in so far as they may be applicable

shall apply accordingly provided, however that the Director who was removed from office shall not be reappointed as a Director by the Board.

#### **120. Directors may fill up casual vacancies**

If any director appointed by the Company in General Meeting vacates office as a Director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred.

#### **121. When candidate for office of Director must give notice**

No person, not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of director or the intention of such member to propose him as a candidate for that office as the case may be.

### **ALTERNATE DIRECTORS**

#### **122. Power to appoint Alternate Directors**

The Board may appoint any person to act as alternate director for a Director at his request during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinary held and such appointment shall have effect and such appointee whilst he holds office as an alternate director, shall be entitled to notice of Meetings of the Board and to attend and vote there at accordingly, but he shall not require any qualification and shall "ipso facto" vacate office if and when the absent Director returns to the state in which meetings of the Board are ordinary held or the absent Director vacates office as a Director.

### **PROCEEDINGS OF DIRECTORS**

#### **123. Meetings of Directors**

The Board shall meet together at least once in every three months for the despatch of business. The Board may adjourn and otherwise regulate its meeting and proceedings as it thinks fit. Unless all the Directors agree in writing for a shorter notice with respect to a particular meeting, atleast one week's notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address, if any, in India to every other Director.

#### **124. Board may summon Meeting**

The Board of Directors may at any time, and the Managing Agent shall upon the request of the Director made at any time convene a meeting of the Board.



**125. Chairman**

The Board shall appoint one of their member to be the Chairman of the Board and may determine the period for which he will hold office. The Director shall have power to appoint any one of their number to be Vice-Chairman of the Board of Directors who shall be entitled to take the Chair at any meeting from which the Chairman is absent.

**126. Quorum**

The quorum for a meeting of the Board, shall be determined from time to time in accordance with the provision of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

**127. Powers of Quorum**

A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board.

**128. How questions to be decided**

Subject to the provisions of the Act, questions arising at any meeting shall be decided by a majority of votes. In case of equality of votes, the Chairman of the Board shall have a second or casting vote.

**129. Power to appoint committees and delegate**

The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of the powers to a Committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, confirm to any regulations that may from time to time be imposed upon it by the Board.

**130. Proceeding of the Committee**

The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and not superseded by any regulations made by the Board under the last preceding Article.

**131. When acts of a Director valid notwithstanding defective appointment, etc.**

Acts done by a person as a Director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in these Articles 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.

### **132. Resolution without Board meeting**

Save in those cases where a resolution is required by Sections 262, 292, 297, 372 (5) and provision to sub-section (2) of Section 386 of the Act, to be passed at a meeting of the board a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual address in India, and has been approved by such of them as are then in India and are entitled to vote on the resolution.

## **MINUTES**

### **133. Minutes to be made**

- (1) The Board shall cause Minutes to be duly entered in Books provided for the purposes ;
  - (a) of the names of the Directors present at each meeting of the Board and of any Committee of the Board and in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution;
  - (b) of all orders made by the Board and Committee of the Board;
  - (c) of all appointments of Directors and other Officers of the Company; and
  - (d) of all proceedings of General Meetings of the Company and of meetings of the Board and Committees of the Board.

The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall otherwise comply with the provisions of Section 193 of the Act.

Provided that no matter need be included in any such Minutes which the Chairman of the meeting, if of opinion ;

- (a) is, or could reasonably be regarded as, defamatory of any person ;
- (b) is irrelevant or immaterial to the proceedings ; or

(c) is detrimental to the interests of the Company.

- (2) Any such Minutes of any meeting of the Board or of any Committee of the Board or of the Company in General Meeting, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be evidence of the matters stated in such Minutes. The Minute Books of General Meetings of the Company shall be kept at the office and shall be open to inspection by members on business days between the hours of 10 a.m. and 12 noon on any working day.

### **POWERS OF THE BOARD**

#### **134. General Power of Company vested in the Board**

Subject to the provisions of the Act, the control of the Company shall be vested in the Board who 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 act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles (or Articles) or otherwise, to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made there under, including regulations made by the Company in General Meeting but no regulation 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.

#### **135. Delegation of powers by the Board of Directors to wholtime Directors**

Subject to the provisions of the Act and in particular, to the prohibitions and restrictions contained in Section 292 thereof, the Board may, from time to time, entrust to or confer upon any wholtime Director for the time being or upon such person or persons as it may choose, such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit; and it may confer such powers either collaterlly with, or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any such powers.

#### **136. Delegation of powers**

The power to make appointments and reappointments of any Director to a whole time office of the Company and to fix the title and functions of such Director shall be exercisable only by the Company in General Meeting.

## LOCAL MANAGEMENT

### 137. Local Management

Subject to the provisions of the Act the following regulations shall have effect :

- (1) The Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the Provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

#### *Local Directorate Delegation*

- (2) The Board from time to time, and at any time may establish any Local Directorates or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India and may appoint any persons to be members of such local Directorate or any managers or agents and may fix their remuneration and, save as provided in Section 292 of the Act, the Board from time to time and at any time may delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and may authorise the members for the time being of any such Local Directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annual or vary any such delegation.

#### *Powers of Attorney*

- (3) The Board may at any time, and from time to time by Power of Attorney under Seal, appoint any persons to be the Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may from time to time think fit; any such appointment may, if the Board thinks fit, be made in favour of the members or any of the members of any Local Directorate established as aforesaid or in favour of any company or of the members, directors, nominees, or officers of any company or firm, or in favour of any fluctuating body or person whether nominated directly or indirectly by the Board, and any such Power-of-Attorney, may contain such provisions for the protection or convenience of persons dealing with such Attorneys as the Board thinks fit.

#### *Sub-delegation*

- (4) Any such delegates or Attorneys as aforesaid may be authorised



by the Board to sub-delegate all or any of the powers, authorities and discretions for the, time being vested in them.

***Seal for use abroad***

***Foreign Register***

- (5) The Company may exercise the power conferred by Section 50 of the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any State or country outside India, as may be permitted by the Act, a Foreign Register of Members or Debenture-holders resident in any such State or country and the Board may from time to time make such regulations as it may think fit respecting the keeping of any such Foreign-Register, such regulations not being inconsistent with the provisions of Sections 157 and 158 of the Act; and the Board may from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of any local law and shall in any case comply with the provisions of Sections 157 and 158 of the Act.

**THE SEAL**

**138. Custody of Seal**

The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given by the Board or a Committee of the Board authorised by the Board in the behalf and save as provided in Article 16 hereof, any one Director and the Secretary of the Company, or in the absence of the Secretary, two Directors shall sign every instrument to which the Seal is affixed. Provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

**ANNUAL RETURNS**

**139. Annual Returns**

The Company shall comply with the provisions of Sections 152 and 161, of the Act as to the making of Annual Returns.

**RESERVES**

**140. Reserve**

The Board may from time to time before recommending any dividend set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or thinkfit other liabilities of the Company, for equalization of dividends, for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company; and may subject to the provisions of Section 372 or 372A of the Act, invest the several sums so set a side upon such investments (other than shares of

the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the Reserves into such special fund as it thinks fit, with full power to employ the Reserves or any part thereof in the business of the Company, and that without being bound to keep the same separate from the other assets.

#### **141. Investment of money**

All moneys carried to the Reserves shall nevertheless remain and be profits of the Company, and shall, at the discretion of the Board, be applicable for any proposal to which the profits of that Company may be properly applied, subject to due provisions being made for actual loss or depreciation for the payment of dividends; and such Moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of Sections 370 and 372 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may from time to time think proper.

141A. Notwithstanding anything contained in these Articles or the Act, making of any loan or investment to any other body corporate or person; giving any guarantee, or providing any security, in connection with a loan made by any other person or body Corporate to, or to any other person or body Corporate, by the Company; and acquiring by way of subscription, purchase or otherwise the securities of any other body Corporate, directly or indirectly, shall be guided by the provisions of Section 372A of the Act.

141B. Notwithstanding anything contained in these Articles or the Act, the Company shall not be prevented from holding investments in the name of a Depository when such investments are in the form of securities held by the Company as a Beneficial Owner.

### **CAPITALISATION OF RESERVES**

#### **142. Capitalisation of Reserves**

Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Fund, or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full unissued shares, debenture or debenture-stock of the company, which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the

paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

#### **143. Surplus moneys**

A General meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not, subject to change for income tax, be distributed among the members on the footing that they receive the same as Capital.

#### **144. Fractional certificates**

For the purpose of giving effect to any resolution under the two<sup>o</sup> last preceding Articles and Articles 145 hereof the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for 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 such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

### **DIVIDENDS**

#### **145. How profits shall be divisible**

Subject to the rights if any, of members, entitled to shares with preferential or special rights attached thereto, the profits of the Company which it shall from time to time determine to divide, in respect of any year or other period, shall be applied in the payment of dividend on the Equity Shares of the Company but so that a partly paid up share shall only entitle the member registered in respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to participate in profits.

#### **146. Declaration of Dividends**

The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provisions of Section 207 of the Act, fix the time for payment.

#### **147. Restrictions on account of dividends**

No larger dividends shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

#### **148. Dividend out of profits only and not to carry interest**

Subject to the provisions of Section 205 of the Act, no dividend shall

be payable except out of the profits of the Company or out of moneys provided by the Central or a state Government for the payment of the dividend in Pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.

**149. What to be deemed net profits**

The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

**150. Interim dividends**

The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.

**151. Debts may be deducted**

The Board may deduct from any dividend payable to any member all sums of money, if any presently payable by him to the Company on account 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.

**152. Dividend and Call together**

Any General meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.

**153. Dividend in Specie**

No dividend shall be payable except in cash; provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares, or paying up any amount for the time being unpaid on any shares held by the members of the Company.

**154. Effect of transfer**

A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.

**155. To whom dividends payable**

No dividend shall be paid in respect of any share except to the member registered in respect of such share or his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a member to make a separate application to the Company for the payment of the dividend.

**156. Notice of dividends**

Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to share therein in the manner hereinafter provided.



**157. Payment by post**

Unless otherwise directed in accordance with Section 206 of the Act, any dividend, interest or other money payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or in the case of member's who are registered jointly to the registered address of that one of such members who is first named on the Register of Members in respect of the joint-holding or to such person and such address as the member or members who are registered jointly as the case may be, may in writing direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

**158. Unclaimed Dividends**

No unpaid or unclaimed dividend shall be forfeited by the Board and the Company.

**158A. Transfer of unpaid/unclaimed dividend to the Investor Education and Protection Fund**

Notwithstanding anything contained in these Articles or the Act, any money transferred to the unpaid/unclaimed dividend account of the Company in pursuance of Section 205A of the Act, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection fund or such other Fund, as may be established by the Central Government from time to time.

There shall be credited to the fund the following amounts, namely:-

- (i) amounts in the unpaid/unclaimed dividend accounts of the Company.
- (ii) the application moneys received by the Company for allotment of the securities and due for refund;
- (iii) matured deposits with the Company;
- (iv) matured debentures with the Company; and
- (v) the interest accrued on the amounts referred to in clauses (i) to (iv) above.

**BOOKS AND DOCUMENTS****159. Books of account to be kept**

The Board shall cause to be kept in accordance with Section 209 of the Act proper books of account with respect of :

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
- (b) All sales and purchases of goods by the Company;

(c) the assets and liabilities of the Company.

**160. Books where to be kept**

The Books of account shall be kept at the office of or at such other place in India as the Board thinks fit, and shall be open to inspection by any Director during business hours.

**161. Inspection by members**

The Board shall from time to time determine whether and to what extent, and at what times and places and under what conditions or regulations, the books of account and books and documents other than those referred to in Articles 133(2) and 185 of the Company, or any of them, shall be open to the inspection to the members not being Directors ; and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

### **BALANCE SHEET AND ACCOUNTS**

**162. Balance Sheet and Profit and Loss Account**

At every Annual General Meeting the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the Act so far as they are applicable to the Company but, save as aforesaid, the Board shall not be bound to disclose greater details of the result of extent of the trading and transactions of the Company than they may deem expedient.

**163. Annual Report of Directors**

There shall be attached to every Balance Sheet laid before the Company a report by the Board complying with Section 217 of the Act.

**164. Copies to be sent to members and others**

A copy of every Balance-Sheet (including the Profit and Loss Account, the Auditor's Report and every document required by law to be annexed or attached to the Balance Sheet) shall, as provided by Section 219 of the Act, not less than twenty-one days before the meeting, be sent to every such member, debenture-holder, trustee and other person to whom the same is required to be sent by the said section.

**165. Copies of Balance Sheet etc. to be filed**

The Company shall comply with Section 220 of the Act as to filing copies of the Balance Sheet and Profit and Loss Account and documents required to be annexed or attached thereto with the Registrar.

### **AUDIT**

**166. Account to be audited annually**

Once at least in every year the books of account of the Company shall be examined by one or more Auditors.

**167. First Auditors**

The First Auditor or Auditors of the Company shall be appointed by the Board within one month from the date of registration of the Company; and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual general meeting of the Company.

**168. Appointment and remuneration of Auditors**

The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by Section 224 to 231 of the Act.

**169. Audit of Accounts of branch office of Company**

Where the Company has a branch office the provisions of Section 228 of the Act shall apply.

**170. Right of Auditor to attend General Meeting**

All notices of, and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him 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.

**171. Auditor's Report to be read**

The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

**172. When accounts to be deemed finally settled**

Every Balance Sheet and Profit and Loss Account of the Company When audited and adopted by the Company in General Meeting shall be conclusive.

**SERVICE OF NOTICES AND OTHER DOCUMENTS****173. How notices to be served on members**

- (1) A notice or other document may be given by the Company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.

***Service by post***

- (2) Where a notice or other document is sent by post
  - (a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notice or documents should be sent to him under a certificate of posting or by

registered post with or without acknowledgement due and has deposited with the company a sufficient sum to defray the expenses of doing so, service of the notice document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) unless the contrary is proved, such service shall be deemed to have been effected.

(i) in the case of a notice of a meeting at the expiration of fortyeight hours after the letter containing the same is posted, and

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

#### **174. Notices to members who have not supplied address**

A notice or other document advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him. Any member who has no registered address in India shall, if so required to do by the Company, supply the Company with an address in India for the giving of notices to him.

#### **175. Notice to members registered jointly**

A notice or other document may be served by the Company on the members registered jointly in respect of a share by transmission to the member named first in the register in respect of the share.

#### **176. Notice to person entitled by transmission**

A notice or other document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

#### **177. When notice may be given by advertisement**

Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given by advertisement.

#### **178. How to be advertised**

Any notice required to be or which may be given by advertisement shall be advertised once in one or more newspapers circulating in the neighbourhood of the office.



**179. When notice by advertisement deemed to be served**

Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

**180. Transferee, etc. bound by prior notices**

Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall be duly given to the person from whom he derives his title to such share.

**181. Notice valid though member deceased**

Subject to the provision of Article 178 any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of the Articles, shall, notwithstanding such member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any share whether registered solely or jointly with other persons until some other person be registered in his stead as the member in respect thereof and service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all person, if any, jointly interested with him or her in any such share.

**182. Service of process in Winding up**

Subject to the provisions of Section 497 and 509 of the Act, in the event of a winding-up of the Company every member of the Company who is not for the time being in Delhi or New Delhi shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for winding-up of the Company, to serve notice in writing on the Company appointing some householder residing in the neighbourhood of the office upon whom all summons, notices, process, orders and judgements in relation to or under the winding-up of the Company may be served, and in default of such nomination the Liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee whether appointed by the member or the Liquidator shall be deemed to be good personal service on such member for all purposes, and where the Liquidator makes any such appointment he shall with all convenient speed give notice thereof to such member by advertisement in some daily newspaper circulating in the neighbourhood of the office or by a registered letter sent by post and addressed to such member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the Liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

## KEEPING OF REGISTERS AND INSPECTION

### 183. Registers, etc. to be maintained by Company

The Company shall duly keep and maintain at the office, in accordance with the requirement of the Act in that behalf, the following Registers :

- (1) A Register of Charges pursuant to Section 143 of the Act.
- (2) A Register of pursuant to Section 150 of the Act, and whenever the Company has more than 50 members, unless, such Register of members is in a form which itself constitutes an index, an index of members pursuant to Section 151 of the Act.
- (3) A Register of Debenture-holders pursuant to Section 152 of the Act and, whenever the Company has more than 50 Debenture-holders, unless such register of debenture-holders itself constitutes an index, an index of Debenture-holders pursuant to Section 152(2) of the Act.
- (4) A Register of Contracts pursuant to Section 301 of the Act.
- (5) A Register of Directors, Managing Agents, Secretaries and Treasurers, Manager, Managing Director and Secretary pursuant to Section 303 of the Act.
- (6) A Register of Director's Shareholdings pursuant to Section 307 of the Act.
- (7) A Register of Investments made by the Company in shares and debentures of bodies corporate in the same group pursuant to Section 372 or 372A of the Act.
- (8) A Register of Investments not held by the Company in its own name pursuant to Section 49(7) of the Act.

### 184. Supply of Copies of Registers etc.

The Company shall comply with the provisions of Sections 39, 118, 163, 196, 219, 301, 302, 307, 362 and 372 or 372A of the Act as to the supplying of copies of the Registers, deeds, documents, instruments, returns, certificates and books therein mentioned to the person therein specified when so required by such persons, on payment of the charges, if any, prescribed by the said Sections.

### 185. Inspection of Registers etc.

Where under any provision of the Act any person, whether a member of the Company or not, is entitled to inspect any register, return, certificate, deed instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 10 A.M. and 12 noon on such business days as the Act requires them to be open for inspection.

**186. Closure of registers of members and debenture-holders**

The company, may after giving not less than seven days previous notice by advertisement in some newspaper circulating in Delhi close the Register of Members or the Register of Debenture-holders, as the case may be, for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

**RECONSTRUCTION****187. Reconstruction**

On any sale of the undertaking of the Company the Board or the Liquidators on a winding up may, if authorised by a Special Resolution, accept fully paid or partly paid up shares, debentures, or securities of any other company whether incorporated in India or not either them existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profit of the Company permits) or the Liquidators (in a winding-up) may distribute such shares or securities, or any other property of the Company amongst the members without realisation, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation of distribution so authorised, and waives all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles.

**SECRECY****188. Secrecy**

Every Director, Manager, Secretary, Trustee for the Company, its members or debenture-holders, member of a committee, officer, servant agent, accountant, or other person employed in or about the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transaction of the Company with its customers and the state 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 Board 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 Articles contained.

**189. No member to enter the Premises of the Company without permission**

No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the

Board or, subject to Article 165 to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery or trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

## **WINDING-UP**

### **190. Distribution of assets**

If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up Capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the members in respect of shares issued upon special terms and conditions.

### **191. Distribution of assets in specie**

If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them as the liquidators, with the like sanction, shall think fit.

## **INDEMNITY**

### **192. Indemnity**

Every Director, Manager and Secretary of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Secretary, Officer, Employee & Auditor in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.



We, the following persons, whose names and addresses are subscribed below, are desirous of being formed into a Company in pursuance of this Articles of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

Signatures, Names, addresses and description of subscribers	No. of shares	Signature, Name, address and description of witness
<b>RAKSHA SARAN</b> W/o Late Rughunandan Saran C/o Saran Motors Pvt. Ltd. Janpath, New Delhi Business	10	<b>WITNESS TO ALL THE SIGNATORIES</b>  Prithvi Raj Sondhi S/o Late Raizada Hans Raj Sudania Niwas Jullundur City Occupation : Business
<b>ASHOK SARAN</b> S/o Late Raghunandan Saran C/o Saran Motors Pvt. Ltd. Janpath, New Delhi Business	10	
	20 (Twenty)	

Place - Delhi

Date - 6th January, 1961