

**UNDER THE COMPANIES ACT, 1956  
(1 OF 1956)  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
MARG LIMITED**

**CONSTITUTION OF COMPANY**

- Constitution
1. The regulations contained in Table "A" in the First Schedule to the Companies Act 1956 shall not apply to the Company except in so far as they are embodied in the following Articles which shall be the regulations for the Management of the Company.

**INTERPRETATION CLAUSE**

- Interpretation
2. The marginal notes hereto are inserted for convenience and shall not effect the construction thereof. In these presents the following words and expressions shall have the following meanings unless excluded by the subject or context.
- The "Act"
- (a) "The Act" means the Companies Act, 1956. as amended from time to time and for the time being in force and includes where the context so admits any re-enactment or statutory modification thereof.
- "Article"
- (b) "Article" means Articles of Association of MARG LIMITED.
- "The Board" or  
"The Board of  
Directors"
- (c) "The Board" means a meeting of the Directors including a committee of the Board of Directors, duly called and constituted, or as the case may be, Directors assembled at a Board or a Committee or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles.
- "The Company"
- (d) "The Company" means MARG LIMITED.
- "Directors"
- (e) "Directors" means the Directors for the time being of the Company or as the case may be the Directors assembled at a Board Meeting.
- "In Writing" Or
- (f) "In writing" and "written" include printing, lithography, typewriting or any other usual substitutes for writing.
- "Members"
- (g) "Members" means the members in the Company holding a share or shares of any class.
- "Month"
- (h) "Month" means Calendar month.
- "Paid-up"
- (i) Paid up "shall include" Credited as Paid-up.
- "Person"
- (j) "Person" shall include any Corporation.
- "Proxy"
- (k) "Proxy" includes attorney duly constituted under Power of Attorney.
- "Office"
- (l) "The Office" means the Registered Office for the time being of the Company.

“The Register”	(m) “The Register” means the Register of the Members, to be kept pursuant to the Act.
“Seal”	(n) “Seal” means the Common seal for the time being of the Company.
Special Resolution and Ordinary Resolution	(o) “Special Resolution” and “Ordinary Resolution” have the meaning assigned to them respectively in section 189 of the Act.
“Singular to	(p) Words importing the singular number shall include the include” Plural” plural number and vice versa and words importing the masculine gender shall include the feminine gender and vice-versa.
“Gender”	
Words referred	(q) Subject as aforesaid any words or expression defined in to in the Act the Act except where the subject or context forbids bear the same meaning in these Articles.

Prohibition of investments of funds in companies on Shares

3. Except as provided by Section 77 of the Act, no part of funds of the Company shall be employed for the purchase of the shares of the Company and the company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provisions of security or otherwise any financial assistance for the purpose of or in connection with purchase or subscription made or to be made by any person or for any shares in the company.
- \*3A. Subject to the provisions of Section 77A, 77AA, 77B and such other applicable provisions of Companies Act, 1956 and such other applicable guidelines/regulations as may be prescribed by the regulatory authorities, the Company can buy back its own shares or other specified securities.

\*Vide Resolution passed at the Extra-ordinary General Meeting held on 12th December 2008.

## CAPITAL

Share Capital

- \*4. The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each, with a right to the Board of Directors to classify reclassify them into any class of shares and/or any denomination with such preferential, deferred, specified or special rights, privileges or conditions as the Board of Directors may decide.

\*Vide Resolution passed at the Extra-ordinary General Meeting held on 22nd February 2006.

Conversion into preference shares

5. Subject to the provisions of Section 86 and 89 of the Act, the Board may at their discretion convert the unissued Equity Shares into Preference Shares or Redeemable Preference Shares and vice versa and such may be issued upon such terms and conditions, rights and privileges and with such preferential or qualified right as to dividends and as to participation in the distribution of assets of the Company as the Board may, subject to the aforesaid sections determine.

Shares under the the Control of Directors

6. Subject to the provisions of the Act and the Articles, the shares in the capital of the company for time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same to or any of them to such persons in such proportion and on such terms and conditions and either at premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time think fit and proper. Provided that the Company will not give to any person to option to call of any share without the sanction of the shareholders of the Company in General Meeting.

6A. Subject to the provisions of Section 79A and such other applicable provisions of Companies Act, 1956 and such other applicable guidelines/regulations as may be prescribed by the regulatory authorities, the Company can issue sweat equity shares.

**\*Vide Resolution passed at the Extra-ordinary General Meeting held on 12th December 2008.**

Power of General meeting to offer Shares to such Persons as the Company resolve

7. In addition to and without derogating from the powers for that purpose conferred on the directors under Article 6 above, the Company in General Meeting may by Special Resolution determine that any share (whether forming part of the original capital or of any increased capital of the company) shall be offered to such person whether members of holder of debentures of the Company or not.

Further issue

8. (a) The Board may, at any time increase the subscribed capital of Capital of the Company by issue of new shares out of the unissued part of the share capital in the original or subsequently created capital but subject to Section 81 of the Act and the following provisions namely-

(1) Such new shares whether Equity or Preference share shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the Company in proportion as nearly as circumstances admit, to the paid-up Equity Capital at that date:

(2) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer if not accepted will be deemed to have been declined:

(3) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (1) shall contain a statement of this right.

(4) After the expiry of the time specified in the notice aforesaid, or earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

**\*(b)** The Directors may with the sanction of the Company in General Meeting offer and allot shares to any person(s) including to employee(s) under Employee Stock Option or any other scheme for the time being in force at their discretion provided that such sanction is accorded either by:

i) a special resolution passed at any General Meeting, or

ii) by an ordinary resolution passed at a General Meeting by majority of the votes cast with the approval of the Central Government in accordance with Section 81 of the Act.

**\*Vide Resolution passed at the Annual General Meeting held on 30th September 2006.**

(c) Nothing in the clause shall apply to the increase of the subscribed capital of the Company, caused by the exercise of an option attached to debentures issued on loans raised by the Company

i) to convert such debentures or loans into shares in the Company.

ii) to subscribe for shares in the Company: Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such terms have been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans; and also, either has been approved by the Central Government before

the issue of the Debentures or the raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

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| Rights of holders of Equity shares   | 9. Subject to the rights of the holders of any other shares entitled by the terms of the issue to any preferential repayment over the Equity Shares in the event of a winding up, the holders of the Equity Shares, shall be entitled to be repaid the amount of Capital paid-up or credited as paid-up on such shares and all surplus assets thereafter shall belong to the Equity Shares and in proportion to the amount paid-up or credited as paid-up on such Equity Shares respectively at the commencement of the winding-up.   |
| Variation of Rights  | 10. The rights attached to any class of shares (unless otherwise provided by the terms of the issue of the shares of that class) may subject to the provisions of Section 106 and 107 of the Act, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of the special resolution passed at a separate meeting of the holders of the shares of that class, to every such separate meeting the provisions of these Articles relating to General Meeting shall MUTATIS MUTANDIS apply, but so that the necessary quorum shall be two persons atleast holding or representing by proxy one-tenth of the issued shares of the class.   |
| Issue of Further Shares pari passu shall not affect the rights of shares already issued. | 11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation of further shares ranking PARI PASSU therewith.   |
| Powers to pay commission   | 12. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock of the Company or procuring or agreeing to procure subscription, (whether absolute or conditional) for shares, debenture stocks of the Company. The statutory conditions and requirements in respect thereof shall be complied with and in the case of shares the amount or rate of commission shall not exceed five per cent of the price at which such shares are issued and in the case of debentures, the commission shall not exceed 2 1/2% of the price at which the debentures are issued. The Commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures on acceptance of deposits pay such brokerage as may be lawful. |
| Liability of Joint holder of shares  | 13. The Joint Holders of shares or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.  |
| Trust not recognised   | 14. Save as otherwise provided by these Articles, the company shall be entitled to treat the Registered Holder of any shares as the absolute owner thereof and accordingly the Company shall not, except as ordered by a Court of Competent Jurisdiction or by the statute required, be bound to recognise any equitable, contingent, future or partial interest, lien, pledge or charge in any share or (except only as by these presents otherwise provided for) any other right in respect of any shares except an absolute right to the entirety thereof in the Register Holder.  |

Issue other than for cash	15. The Board of Director may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied, or for purchasing Trade Marks, Merchandise Marks Patents, Patent rights, licenses, Privileges, process and secrets and stock-in trade or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and/or conduct of its business and any share which may be so allotted, may be allotted as fully paid-up shares, and if so allotted shall be deemed to be fully paid-up shares.
Acceptance of Shares	16. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein shall be acceptance of the shares within the meaning of the Articles and every persons who this or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a Member.
Right to Certificates	<p>17. Every person whose name is entered as a member in the Register of Members shall be entitled to receive.</p> <ol style="list-style-type: none"> <li>1. (a) One certificate for all the shares without payment; or (b) Several Certificates, each for one or more number of shares, in the market lots free of any charge.</li> <li>2. The Company shall within 2 months after allotment or within one month after application for registration of the transfer of any shares or debentures complete and have ready for delivery, the certificates of all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.</li> <li>3. Every Certificate shall bear the seal of the Company and shall specify the shares to which it relates and the amount paid-up thereon.</li> <li>4. The provisions of Clauses (2) and (3) shall apply MUTATIS MUTANDIS to debentures and debenture-stock allotted or transferred.</li> <li>5. No fee shall be charged for the issue of new share certificate either for subdivision of existing share certificate or for consolidation of several share certificates into one or issue of fresh share certificates in lieu of share certificates on the back of which there is no space for endorsement for transfer or registration of any probate, letters of administration, succession certificate, or like documents or for registration of any power of attorney, Memorandum and Articles of Companies or other similar documents.</li> </ol>
One Certificate for Joint holder	18. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate for the same share or shares and the delivery of the Share Certificate to one of several joint I holders shall be sufficient delivery to all such holders
Replacement and renewal of Certificate	19. (a) If a certificate be old, decrepit, worn out, defaced or if there is no further space on the back thereof for endorsements or transfer, it shall, if required, be replaced by a new certificate, free of charge, provided however that such new certificate shall not be granted except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation.

(b) If a certificate is lost or destroyed the Company may upon such evidence and proof of such loss or destruction and on such terms and conditions as to, indemnity or otherwise, as the Board may require and on payment of a fee of Rupee One, issue a new certificate.

(c) Any renewed certificate shall be marked as such.

#### **LIEN**

Company's lien  
on shares

20. The Company shall have a first and paramount lien upon all shares other than shares fully paid up shares registered in the name of any member, either along or jointly with any other person and upon the proceeds of sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors at any time may declare any shares to be exempt, wholly or partially, from the provisions of this Articles. Unless otherwise, agreed, the registration of a transfer of shares shall operate as a waiver of the company's lien if any, on such shares. Directors may at any time-declare any shares wholly or in part to be exempted from the provisions of this clause

As to enforcing  
lien by sale

21. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holder of the shares for time being or to the person entitled to the shares by reason of the death or insolvency of the registered holder.

Authority to  
transfer

22. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the share comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Application of  
proceeds of sale  
Calls

23. The net proceeds of any such sale shall be applied in or towards satisfaction or the said moneys and the balance (if any) shall be paid to the member or the person (if any) entitled by transmission to the shares at the date of the sale.

#### **CALL ON SHARES**

24. (a) Subject to the provision of Section 91 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the member in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed time.

(b) A call may be made payable in installments.

(c) Each member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

(d) A call may be revoked or postponed at the discretion of the Board.



When call deemed to be made	25. The Board of Directors when making a call by resolution determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call and there upon the call be deemed to have been made on the date so determined and if no such date as aforesaid is fixed the call shall be deemed to have made on the date on which the resolution of the Board making the call was passed.
Length of notice of call	26. Not less than thirty day notice of any call shall be given specifying the time and place of payment and the person to whom such call shall be paid provided that before the time for payment of such call the Directors, may by notice in writing to the members extend the time for payment thereof.
Sums payable at fixed instalments to be deemed calls	27. If by the terms of issue or any share or otherwise any amount is made payable on Allotment or at any fixed time or by instalments at fixed time whether on account of the nominal value of the share or by way of premium every such amount or instalment shall be payable as if it were a call duly made the Directors and of which due notice had been given, and all the provisions herein contained in respect of call shall relate and apply to very such amount or instalment accordingly.
When interest on calls payable	28. If a sum called in respect of shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate fixed by the Board of Directors not exceeding 15% (Fifteen percent) per annum from the day appointed for the payment thereof to the time of the actual payment but the Board of Directors shall be liberty to waive payment of that interest wholly or in part.
Sums payable in fixed times to be treated as calls	29. The provisions of these Articles as to payment of interest shall apply in the case of non payment of any sum which by the terms of issue of a share, become payable on allotment or at fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
Liability of joint holders of shares	30. The joint holders of share or shares shall be severally as well as jointly liable for the payment of all the instalments, calls, Interest, expenses and any other sums due in respect of such share or shares.
Payment of call in advance	31. The Board of Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advanced may, (until the same would, but for such advance become presently payable) pay interest at such rate not exceeding without the sanction of the Company in General Meeting 9% (Nine percent) per annum as may be agreed upon between the member paying the sum in advance and the Board of Directors. Money paid in advance of calls shall not confer a right to dividend or participate in profits.
Partial payment not to preclude forfeiture	32. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any share either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

## FORFEITURE OF SHARES

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| If a call or instalment not paid notice be given                         | 33. If a member fails to pay any call or instalment of a call 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.  |
| Form of notice   | 34. The notice shall name a further day (not earlier than the expiration of fourteen days from the date service of the notice) on or before which the payment required by the notice is to be made and shall state that, in the event of non payment on or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.   |
| if notice not complied with shares may be forfeited                      | 35. If the requirements of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given, be forfeited by a resolution of the Board of Directors to that effect and such forfeiture shall include all dividends declared in respect of the forfeited share, and not actually paid before the forfeiture.  |
| Board's right to disposal of Forfeited shares cancellation of forfeiture | 36. A forfeited or surrendered shall be deemed to be the property of the Company and may be sold or otherwise disposed of on such terms, and in such manner as the Board of Directors may think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board of Directors may think fit.  |
| Liability after forfeiture   | 37. A person whose shares have been forfeited shall ceased to be a member in respect of the forfeited shares, but shall notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, together with interest at 15% (Fifteen percent) per annum, whether such claim be barred by limitation in the date of the forfeiture or not but his liability shall cease if and when the Company received payment in full of the nominal value of the Shares. The Board may if they shall think fit remit the payment of such interest or any part thereof.  |
| Declaration of forfeiture  | 38. A duly verified declaration in writing, that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all person claiming to be entitled to the shares, and that the declaration and the receipt by the Company of the Consideration if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall affect the rights of thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. |
| Non-payment of sums payable at fixed times                               | 39. The provisions of these regulations as to forfeiture shall apply in the case of non payment of any sum which by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.  |



## TRANSFER AND TRANSMISSION OF SHARES

- Instrument of Transfer
40. The shares in the Company shall be transferred by an instrument in writing in the prescribed form, duly stamped and in the manner provided under the provisions of section 108 of the Act and any modification thereof and the Rules prescribed thereunder.
- Transfer
41. (a) The instrument of transfer of any shares in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.
- (b) The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the scrip and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.
- Provided that where it is proved to the satisfaction of the Board of Directors that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may if the Board of Directors think fit, quotation should be on an application in writing, made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board of Directors may think fit.
- (c) An 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 any case of partly paid shares be effected unless the Company gives notice of the application to the transferee and the Company shall, unless objections 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 was made by the transferee.
- (d) For the purpose of sub-clause (c) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.
- (e) Nothing in sub-clause (d) shall prejudice any power of the Board of Directors, to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.
- (f) Nothing in this Article shall prejudice any power of the Board of Directors to refuse to register the transfer of this shares to a transferee whether a member or not.
- Boards right to refuse
42. (a) Subject to the provision of section 111 of the Act, the Board at their absolute and uncontrolled discretion without assigning any reason, may within one month from the date of which the instrument of transfer was delivered to the Company refuse to register any transfer of or the transmission by operation of law of the right to a share.
- (b) The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any person or persons indebted to the Company on any account whatsoever except in exercise of the aforesaid lien in Article 20 partly paid shares for arrears of call thereon.

	(c) The Right of the Board to refuse register any transfer of shares is subject to provisions of Section 22A of Securities Contracts (Regulation) Act, 1956.
Further right of Board of Directors to refuse to register	43. The Board of Directors may also decline to recognise any instrument of transfer unless:-  (a) the instrument of transfer is accompanied by the certificate of shares to which it relate and such other evidence as the Board Of Directors may reasonably require to show the right of the transferor to make the transfer; and  (b) the instrument of transfer is in respect of only one class of shares.
Transfer fee	44. Notwithstanding any other provisions to contrary in these presents, no fee shall be charged for any of the following viz.,  (a) for registration of transfers of shares and debentures.  (b) for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation renewal and pucca transfer receipts into denominations corresponding to the market units of trading.  (c) for sub-division of renounceable letters of Right.  (d) for issue of certificates in replacement of those which are old, descript, or work out, or where the cages on the reverse for recording transfers have been fully utilised.  (e) for registration of any power of attorney, probate, letters of administration similar other documents.
Closure of Register of Members	45. The Board of Directors may after giving not less that 7 days previous notice by advertisement in some newspaper circulation in the district in which the Registered Office of the Company is situate, close the Register or Debenture holders for any period not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at anyone time.
Rights to shares on death of a member for transmission	46. (1) In the event of death of anyone or more of several joint holders, or survivors, alone shall be entitled to be recognised as having title to the Shares.  (2) In the event of death of any holder or the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having any title to the shares of the deceased.  Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares heir or legal representatives of the deceased share holder.  Provided further that if the deceased shareholder was a member of Hindu joint family, the Board on being satisfied to that effect that the Shares standing in his name in fact belonged to the joint family, may recognise the survivors or the Karta thereof as having title to the shares registered in the name of such member.  Provided further that in any case it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as to the Board may deem just.

Rights and liabilities  
of a legal  
representative

47. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be properly required by the Board and subject as hereinafter provided, elect, either:
- (a) to be registered himself as holder of share
  - or
  - (b) to make such transfer of the shares as the deceased or insolvent member could have made.
- (2) The Board, shall, in either case, have the same rights to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Notice by such  
person on his  
election

48. (1) If the person becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the shares, he shall, testify his election by executing a transfer of the share.
- (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
49. a) Notwithstanding anything contained in sub-Article the Board shall not accept applications for sub-division or consolidation of share certificates into denominations of less than the market unit of trading except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent court of law or a request from a member to convert his holding of odd lots of shares into transferable marketable lots, subject, however, to verification by the company.
- The Company shall give effect to a transmission of shares and consolidation or sub-division of share certificates as provided in Article 19 and shall issue share certificates in pursuant thereof within thirty days of lodgement of a proper application for such transmission, consolidation or sub-division.
- b) Transfer of shares in whatsoever lot shall not be refused. However, company shall not split a share certificate into several scrips of very small denomination or consider transfer of shares comprised in a share certificate to several parties involving such splitting if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need.

#### **DEVOLUTION OF RIGHTS**

Devloution on  
the death of a  
share holder

50. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and the other advantages to which he would be entitled as if he were the registered holder of the share, except that he shall not, before registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days the Board may thereafter withhold payment of all dividends, bonuses or other money payable in respect of the share until the requirements of the notice have been complied with.

Company's right to transfer to apparent legal owner

51. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights or title of interest prohibiting registration or such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or to be under any liability whatsoever for refusing or neglecting so to do, through it may have been entered or referred to in the books of the Company but the Company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereof, if the Board of Directors shall think fit.

Set-off of moneys due to share holder

52. Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him either alone or jointly with any other person to the Company in respect of calls or otherwise.

### **ALTERATION OF CAPITAL**

Alteration and Consolidation Capital

53 (1) The Company may from time to time by an ordinary resolution alter the conditions of its Memorandum as follows;

- (a) increase its share capital by such amount as it thinks expedient by issuing new shares;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of fully paid-up shares into stock, and re convert stock into fully paid-up shares of any denomination;
- (d) Sub-divide the shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however that in the subdivision 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 shares from which the reduced share is derived.
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

(2) The resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such subdivision one or more of such shares shall have some preference or special advantage as regards dividend, return of capital or otherwise over or as compared with the others.

Reduction of Capital etc. by Company

54. The Company may, by Special Resolution reduce in any manner and with, and subject to incident authorised and consent required by law;

- (a) its share capital
- (b) any capital redemption reserve account; or
- (c) any share premium account.

## GENERAL MEETINGS

- Annual General Meeting
55. The Company shall hold in addition to any other meetings, a General Meeting which shall be styled as its annual general meeting at intervals and in accordance with the provisions specified below:
- (a) Every Annual General Meeting shall be held by the Company within 6 months after the expiry of each financial year subject however the power of the Registrar of Companies to extend the time within such a meeting can be held, for a period not exceeding three months and subject thereto not more than fifteen months shall elapse from the date of one Annual General Meeting and that the next.
  - (b) Subject to the Section 168 of the Act every Annual General Meeting shall be called for at 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 the city, town or village in which Registered Office of the Company is situated.
  - (c) Notice calling such meeting shall specify them as the Annual General Meeting.
  - (d) All other meetings shall be referred to as Extraordinary General Meetings.
- Extra ordinary General Meetings
56. (a) The Board of Directors or the Managing Director may whenever considered fit, convene an extraordinary General Meeting.
- (b) Extraordinary General Meeting may be held either at the Registered Office of the Company or at such other convenient place as the Board of Directors or the Managing Director (subject to any directions of the Board of Directors) may deem fit.
- Accidental omission to give notice not to invalidate Meeting
57. (1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing, provided that a General Meeting may be called after giving shorter notice is consent thereto is accorded in the case of the Annual General Meeting by all the members entitled to vote there at and in the case of any other meeting, by members of the. Company holding not less than 95% of that part of the paid-up share capital which given the right vote on the matters to be considered at the meeting.
- Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.
- (2) A document may be served by the Company on any members there of 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 notice and serving of documents on him.
- Notice shall be given to the persons entitled to the share in consequence of the death of insolvency of a member, by sending through the post in a prepaid letter, addressed to them by name or by the title of the representative of the deceased or Assignees of the insolvent or by any like description, at the address In India, if any, supplier for the purpose by the person claiming to be so

entitled or unless such address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred provided that where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Special Business  
and Statement to be  
annexed

58. The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of or any resolution passed at such meeting.
59. (a) All business shall be deemed special that is transacted at an Extra Ordinary General Meeting and also that is transacted at a Annual General Meeting with the exception of declaration of a dividend, the consideration of the accounts balance sheets and the reports of the directors and auditors, the election of the Directors in the place of those retiring by rotation and the appointment of and the fixing of the remuneration of Auditors.
- (b) Any Annual General Meeting as well as any extraordinary General Meeting may transact any item of business whether ordinary or special and in particular, and Extraordinary General Meeting shall be entitled to transact any business or pass any resolution which can be properly moved at any General Meeting and in particular resolutions, sanctioning or declaring any dividend final, supplemental, or otherwise that may be recommended by the Directors for the time being in office.
- (c) Where any items of business to, be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting, a statement setting out all material fact concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director and the Managing Director, if any. If any item of business consists of the according of approval to any document by the meeting, the time and place, where the document can be inspected shall be specified in the statement aforesaid.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects, any other Company the extent of share holding interest in that other Company of every Director and the Managing Director of the Company shall also be set out in the statement if the extent of such share holding interests is not less 20% of the paid-up share capital of the other Company.

#### **PROCEEDING AT GENERAL MEETING**

Quorum

60. Two members personally present shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the time when the meeting proceeds to business.

If quorum not present  
when meeting to be  
dissolved and when  
not to be dissolved

61. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting if called upon the requisition of members, shall be dissolved 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 other time and place as the



Board may determine and if at the adjourned meeting a quorum is not present, within half an hour from the time appointed for the meeting, the members present shall be quorum.

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| Chairman of General Meeting                  | 62. The Chairman, if any, of the Board of Directors, shall preside as Chairman at every General Meeting of the Company.  |
| When Chairman absent choice of Chairman      | 63. If there is no such Chairman or if at any meeting he is appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Directors be present or if all the Directors decline to take the chair, then the members present shall choose one of their members to be the chairman.   |
| Adjournment of Meeting                       | 64. The Chairman may adjourn any meeting at which a quorum is present from time to time. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as nearly as may be as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment of the business to be transacted at an adjourned meeting.  |
| Question at General Meetings how decided     | 65. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried unanimously or by a particular majority, or lost and an entry to that effect in the books of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.            |
| Casting Votes                                | 66. In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll, having casting vote in addition to the vote or votes to which he may be entitled as a member.  |
| Taking of Poll                               | 67. If poll is duly demanded in accordance with the provisions of Sections 179 of the Act, it shall be taken in such manner as the chairman directs and in accordance with provisions of Section 183 to 185 of the Act and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. The Chairman shall appoint two scrutineers in the manner required by Section 184 of the Act. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause. |
| In what cases poll taken without adjournment | 68. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty eight hours from the time when the demand was made, as the Chairman may direct.   |

#### **VOTES OF MEMBERS**

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| Voting rights | 69. (a) Every member of the Company holding any Equity Shares shall have a right to vote in respect of such shares on every resolution placed before the Company. On a show of hands, every such member present in person shall have one vote. On a poll, his voting right in respect of such shares shall be in proportion to his share of his paid-up equity capital of the Company.<br><br>(b) The holders of Preference shares shall have a right to vote on resolutions placed before the Company which directly affects the rights attached to the Preference shares and subject as aforesaid, the holders of preference |
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shares shall in respect of such capital, be entitled to vote on every resolution placed before the Company at a meeting if the dividend due on such capital or any part of such dividend remains unpaid in respect of an aggregate period of not less than two years proceeding the date of commencement of the meeting, and where the holder of any preference share has a right to vote as aforesaid, every such member personally present shall have one vote and on a poll his voting right in respect of such share capital shall be in the same proportion as the paid-up capital in respect of preference shares bears to the total paid-up equity capital of the Company.

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| Other business must proceed notwithstanding demand for poll | 70. A deemed for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person who made the demand.   |
| Joint Holders   | 71. In the case of joint-holders, the vote of the first name of such joint holder who tenders vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders.   |
| Members of unsound mind                                     | 72. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.  |
| No member entitled to vote while call due to the Company    | 73. No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.  |
| Proxies permitted on polls                                  | 74. On a poll, vote may be given either personally, or by proxy. A company or other body corporate entitled to vote may vote in accordance with the provisions of Section 187 of the Act.   |
| Instrument of Proxy   | <p>75 (a) The instrument appointing a proxy shall be in writing under the hand of the appoint or of his attorney duly authorised in writing, or if the appoints is a Corporation either under the Common Seal or under the hand of an Officer, or attorney so authorised. Any person may act as proxy whether he is member or not</p> <p>(b) A corporate body (whether a Company within the meaning of the Act or not) may, if it is a member of a creditor or a debenture holder of the company, by the resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company or at any meeting of any creditors of the Company held in pursuance of the companies Act or in any debenture or trust deed as the case may be. The person so authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers including the right to vote by proxy on behalf of the body corporate which he represents as he could exercise if he were a member, creditor, or holder of debentures of the Company.</p> <p>(c) So long as authorisation under sub-clause (b) above is in force, the power to appoint a proxy shall be exercised only by the person so appointed as representative.</p> |
| And to be deposited at the office                           | 76. 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 the power or authority shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting to which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for the taking of poll and in default, the instrument of proxy shall not be treated as valid.   |

- Proxy valid notwithstanding death of appointer 77. A vote given in accordance with the terms of an instrument of proxy, shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting for which the proxy is issued.
- Form of instrument appointing a proxy 78. Every instrument appointing a proxy shall be retained by the Company and shall be in either of the forms specified in Schedule IX of the Act or a form as near thereto as circumstances will admit.

### **DIRECTORS**

- Number of Directors 79. Subject to the provisions of section 252 of the Act, until otherwise determined the number of directors shall be not less than 3 and not more than 12. The Company will comply with the provisions of Section 259 of the Act.
- First Directors 80. The First Directors shall be:
1. MR. N. BHARDWAJ
  2. MR. G.R.R.M. REDDY
  3. MR. G. SIVAKUMAR REDDY
- The first directors other than the Managing Directors and directors appointed pursuant to Article 81, if any, shall hold office till the first Annual General Meeting of the Company on which date they will retire, but will be eligible for re-appointment.
- Right of Certain persons to appoint Directors 81. The Board shall subject to the provisions of the Act, be entitled to agree with any person, that he shall have the right to appoint his nominee/s on the Board of Directors of the Company and such nominees unless otherwise agreed to, shall not be liable to retire by rotation.
- Directors Qualification Share 82. No share qualification shall be required to be held by Director including the Managing Director and any person whether a qualification member of the Company or not may be appointed and continue to be a Director of the Company.
83. A Director may retire from his office upon giving one month's notice in writing to the Company of his intention to do so and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.
- Directors remuneration 84. (a) The remuneration of each of the Directors for attending meetings of Board or Committee thereof shall be decided by the Board of Directors from time to time within maximum limit of such fees that may be prescribed under provision to Section 310 of the Companies Act, 1956. The Company may allow and pay to a Director who for the time being is residing out of the place at which any meeting of the Directors may be held and who shall come to that place for the purpose of attending that meeting such sum as the Directors may consider fair compensation for expenses in connection with his attending the meeting in addition to his remuneration as above specified.
- (b) Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction if any of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.

- (c) Subject to the provisions of the Act, the Company in General Meeting may by special resolution sanction and pay to the Directors in addition to the said fees set out in sub-clause (a) above, a remuneration of not exceeding one percent (1%) of the net profits of the Company calculated in accordance with the provisions of Sections 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company Who held offices Directors at any time being the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they had held office respectively as such Directors.
- (d) Subject to the provisions of section 314 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purpose of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

Power of Board to add to its members

85. 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 at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall than be eligible for re-election.

Chairman of the Board of Directors

86. The Board of Directors may elect a Chairman of its meetings and determine the period for which he is to hold office. In the event of any vacancy arising in the office of the Chairman, the Directors may elect from among themselves any person as Chairman of the Board of Directors and such person shall hold office as Chairman for such period as may be determined by the Board, provided that such person continues to hold office as a Director. If such person retires from his office as a Director at any Annual General Meeting and is re-elected at the same meeting he shall continue to be chairman for the said period and a fresh appointment as Chairman shall not be necessary.

Power to remove Director by ordinary Resolution on special notice

87. The Company may remove any Director before the expiration of the period of office of accordance with the provisions of Section 284 of the Act and may subject to the provisions of Section 262 and 274 of the act, appoint another person in his stead.

Board may fill up casual vacancies

88. 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 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, provided that the Board not fill such vacancy by appointing thereto person who has been removed from the office of Director under Article 86 hereof.

Alternate Director

89. 1) The Board of Directors of the Company may appoint an alternate Director to act for a Director (thereinafter called in this clause 'the Original Director') during his absence for a period of not less than three months from the State in which the meeting of the Board are ordinarily held.

	2) An alternate Director appointed under sub-clause(1) shall not hold office as such for a period longer than that permissible to the original Director in whose place has been appointed and shall vacate office if and when the Original Director returns to the State in which meetings of the Board are ordinarily held.
	3) If the term of office of the Original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring directors in default of another appointment shall apply to the Original and not to the Alternate Director.
Directors may contract with company	90. a) Subject to the provisions of section 314 of the Act, no Director shall be disqualified by his office from holding any office or place of profit under the Company or under any Company in which this Company shall be a share holder, or otherwise interested or from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided; nor shall any Director be liable to account to the Company for any profits arising from any such office or place of profit or released by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established. But it is declared that the nature of his Interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined, If his Interest then existed or In any other case, at the first meeting of the Directors after the acquisition of his interest.
	b) No Director shall as a Director vote in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so vote, his vote shall not be counted. Such prohibition shall not apply to any contract by or on behalf of the Company to give the Directors or any of them any security for advance by way of indemnity.
	c) A general notice that a Director is a member of any specified firm or Company, and that he is to be regarded as interested in all transactions with the firm or Company, shall be sufficient disclosure under this clause as regards such Director and the said transactions, and after such general notice, it shall not be necessary to give any special notice relating to any particular transaction with that firm or Company.
Rotation and retirement of Directors	91 At every Annual General Meeting, one third of such of the Directors as are liable to retire by rotation for the time being if their numbers is not three or multiple of three for multiple of three then the number nearest to one-third shall retire from office.
Retiring Director eligible for re-election	92. A retiring Director shall be eligible for' re-election and the Company at the General meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.
Which Directors to retire	93. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between person who become Directors on the same day those to retire shall unless they otherwise agree among themselves be determined by lot.
Power of General Meeting to increase or reduce the number of Directors	94. Subject to the .provisions of Sections 252, 255 and 259 of the Act, the Company in General Meeting may by ordinary resolution increase or decrease the number of its Directors within the limits fixed by Article 79 above. Provided that the vacancy arising out of resignation, death, or expiry of term of office of Director shall not be constructed as a reduction in the number of Directors.



## PROCEEDINGS OF THE BOARD

- Meeting of the Board
95. 1. The Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit provided that a meeting of the Board of Directors shall be held at least once in every three months and atleast four such meetings shall be held in every year.
2. The Managing Director may at any time at his discretion summon a meeting of the Board. The managing director on the requisition of two or more directors shall, at any time, summon a meeting of the Board.

## NOMINEE DIRECTOR

96. Notwithstanding any thing to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI) Industrial Finance Corporation of India Limited (IFCI), the Industrial Reconstruction Corporation of India Limited (IRCI) , Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), the Oriental Insurance Company Limited (OIC), the New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by any two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Article referred to as the Corporation) out of any loans/debenture assistance granted by them to the Company or so long as the corporation holds or continues to hold debentures shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time/ or Non whole time (which Director or Directors, is/are hereinafter referred to as Nominee Director/s) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or person in his or their place/s. The Board of Directors of the Company shall have no power to remove from office, the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such nominee Director/s shall not be liable to retirement by rotation of Directors. The Company agrees that if the Board of Directors of the Company has constituted or proposes to constitute any management committee or other committee(s), it shall, if so required, by the Corporation include the Nominee Director as a member of such management committee or other committee(s). Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the corporation holds or continues to hold debentures/shares in the Company as a result of under Writing or by direct subscription or private placement or the liability of the Company arising out of the guarantees is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the corporation.



The Nominee Director/s appointed under this Article shall be entitled to receive all notice of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are members/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notice and minutes.

The Nominee Director/s shall be entitled to the same sitting fees, commission, remuneration and expenses as are applicable to other Directors of the Company. The company shall pay the sitting fees and other expenses to the Nominee Director/s directly but the commission, remuneration or other monies and fees to which the Nominee Director/s is/are entitled shall accrue due to the Corporation and shall accordingly be paid by the Company directly to the Corporation.

Provided that if any such Nominee director/s is/are officer of the Corporation, sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the company directly to the corporation.

Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointed or Directorship shall also be paid or reimbursed by the Company to the corporation or, as the case may be to such Nominee Director/s.

Provided further that if one or more of the events of default, as stipulated in the agreement between the Company and the corporation governing the transaction hereinabove referred to shall have happened, then the Corporation shall have a right to appoint a Nominee Director on a whole-time basis. Such whole-time Director shall hold office only so long as the Company has not remedied the event of default.

Provided also that in the event of the Nominee Director/s being appointed as whole-time Director/s, such Nominee Director/s shall exercise such power and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of the Company. Such whole-time Director/s shall be entitled to receive such remuneration fees, commission, and monies as may be approved by the Corporation.

Questions how decided

97. 1. Save as otherwise expressly provided in the Act, a meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by Directors, generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
2. In the case of an equality of votes, the Chairman shall have a casting vote in addition to his vote as a Director.

Rights of Continuing Directors when there is no quorum

98. The Continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or summoning a General Meeting of the Company but for no other purpose.

Quorum

99. The quorum for a meeting of the Board of Directors shall be one-third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher provided that where at anytime the number of interested Directors, is equal to or exceed two thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors, who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the

Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting there from the number of Directors, if any whose places are vacant at that time.

- Chairman of meeting 100. If there is any vacancy in the office of Chairman or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.
- Delegation of powers 101. 1) The Board may, subject to the provisions of Section 292 and the other provisions of the Act, delegate any of its powers to committees consisting of such number of members of its body as it thinks fit.  
2) Any Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
- Election of chairman of the committee 102. 1) A Committee may elect a Chairman of its meeting. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their member to be Chairman of the meeting.  
2) The quorum of a Committee may be fixed by the Board of directors and until so fixed if the committee is of a single member the quorum shall be one and if more than one member it shall be two.
- Meeting of the committee and Questions how determined 103. 1. A Committee may meet and adjourn as it thinks proper.  
2. Question arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a casting vote in addition to his vote as a member of the Committee.
- Act done by Board or Committee valid not withstanding defective appointment etc. 104. All acts done by any meeting of the Board of Committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of anyone or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.
- Resolution by circulation 105. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or of the committee as the case may be) and to all other Directors or members at their usual addresses in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board of Committee duly convened and held.

#### **POWERS OF THE BOARD**

- General Powers of company vested in Directors 106. Subject to the provisions of the Act, the management and 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 the Act or by any other statute or by the Memorandum of the Company or in these 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 thereunder 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.

Further powers  
of Directors

107. Without prejudice to the generality of the foregoing, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power
- 1) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company.
  - 2) To carry on and transact the several kinds of business specified in clause III of the Memorandum of Association of the Company.
  - 3) To open one or more accounts of any kind with any bank or banks and to draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debentures or debenture stocks of Corporation, Local Bodies, Port Trusts, Improvement Trusts or other corporate Bodies and to execute transfer deed for transferring stocks, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.
  - 4) At their discretion to pay for any property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds debentures, or other securities may be either specifically charged upon all or any of the property of the Company or not so charged.
  - 5) To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, cashiers, agents commission agents, dealers, brokers foreman, servants, employees of every description and to employ such professional or technical or skilled as agent as from time to time may in their option be necessary or advisable in the interest of the Company and upon such terms as to duration of employment, remuneration or otherwise and may required security in such instance and to such amounts as the Directors think fit.
  - 6) To accept from any member, on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.
  - 7) To secure the fulfilment of any contracts or agreements entered into by the Company, by mortgage of charge of all or any of the property of the Company or in such other manner as they may think fit.
  - 8) To institute, conduct, defend compound or abandon any action, suits and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same action, suits and legal proceedings.
  - 9) To make and give receipts, release and other discharges for money payable to the Company and for the claims and demands for the Company.
  - 10) To determine who shall be entitled to sign on the Company's behalf bills of exchange, pronotes dividend warrants, cheques and other negotiable instruments, receipt acceptance endorsements, release contracts, deeds and documents.

- 11) From time to time to regulate the affairs of the company abroad in such manner as they think fit and in particulars to appoint any person to be the attorneys or agents of the Company, its officers and servants.
- 12) To invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such securities as they think fit.
- 13) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such powers, covenants and provisions as shall be agreed upon.
- 14) To give to any person employed by the Company a commission on the profits, or any particular business or transactions, or a share in the general profits of the Company and such commission, or share of profits, shall be treated as part of the working expenses of the Company.
- 15) From time to time make, vary and repeal' by laws for the regulations of the business of the Company, it's officers and servants.
- 16) To enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- 17) To pay gratuities, bonus, rewards, presents and gifts to employees of dependents of any deceased employees to charitable institutions or purposes, to subscribe for provident funds and other associations for the benefit of the employees.

Delegation of powers

108. The Board may at any time and time to time delegate to any person such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such periods and subject to such conditions as the Board may from time to time fit. The Board may authorise any such Delegate to subdelegate all or any of the powers, authorities and discretions for the time being vested in him.

Secretary

109. The Boards shall have power to appoint. as the Secretary a person fit in their opinion for the said office, for such period and on such terms and conditions as regard remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may from time to time, be delegated or entrusted to him by the Board or the President.

Powers as to commencement of business of branch of business

110. Any Branch of kind or business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorized to be undertaken by the Company may be undertaken by the Board at such time or times as they shall think fit and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

## **MANAGING DIRECTOR**

- Appointment of Managing Director 111. The Board may from time to time appoint and re-appoint one or more Managing Directors and in the event of any vacancy arising in the office of the Managing Director, the vacancy may be filled by the Board. The Managing Director, so appointed, shall hold office for such period at the Board may deem fit and be paid such remuneration as the Company in General Meeting may determine the Act.
- Period of office of Managing Director 112. The Managing Director shall have, subject to the supervision, control and direction of the Board, the Management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties, in relation to the management of the affairs and transactions of the Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by the Board of Directors and also subject to such conditions or restrictions imposed by the Act or by these presents.
- Whole-time Director 113. The Managing Director shall not so long as he holds the office of Managing Director be liable to retirement by rotation. If the Managing Director ceases to hold office as Director he shall ipso facto immediately cease to be the Managing Director.
114. Subject to the provisions of the Act, the Company in General Meeting may appoint one or more whole-time Directors. The whole-time Director shall exercise such powers and duties as the Board may delegate to him from time to time. The remuneration payable to such whole-time Director shall be determined by the Company in General Meeting in terms provisions at the Act.

## **BORROWING POWERS**

- Borrowing powers 115. The Board of Directors may from time to time but with such consent of the Company in General Meetings as may be required under section 293 of the Act raise or borrow any moneys or sum of money for the purpose of the Company apart from temporary loans obtained form the Company's bankers in the ordinary course of business shall not without the sanction of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free 'reserves, that is to say, reserves not set apart for any specific purpose and in particular, but subject to the provision section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company, but the issue debentures or debentures stock, perpetual or otherwise, debentures convertible into shares of this or any other Company or perpetual annuities and in security of the any such money so borrowed raised or received, to mortgage, pledge, or charge, the whole or any part of the property, assets or revenue of the Company present or future including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lender powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company of the power to borrow as stated above shall specify the total amount upto which monies may be borrowed by the Board of Directors.

The Directors may by a resolution at a meeting of Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director within the limits prescribed.

Borrowing powers	<p>116. Subject to the provisions of Article 114 above, the Directors may, from time to time at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company at such time and in such manner and upon such terms and conditions in all respect as they think fit and in particular, by promissory notes, or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debenture or debentures, stock of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as to them may seem expedient.</p> <p>Debenture/Debenture Stock, Loan/loan Stock, Bonds or other securities conferring right to allotment or conversion into shares or the option or right to call for allotment of shares shall not be issued except with the sanction of the Company in General Meeting.</p>
Assignment of Debentures	<p>117. Such debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.</p>
Subsequent assignees of uncalled capital	<p>118. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the shareholders or otherwise to obtain priority over such prior charge.</p>
Charges in favour of Director for indemnity	<p>119. If the Directors or any of them, or any other persons, shall become personally liable for the payment of the sums primarily due from the Company and Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.</p>
Power to be exercised by Board only at meeting	<p>120. The Board of Directors shall exercise the following powers on behalf of the Company and such power shall be exercised only by a resolution passed at a meeting of the Board.</p> <ol style="list-style-type: none"> <li>a) Power to make calls on shareholders or in respect of moneys unpaid on their shares.</li> <li>b) Power to issue debentures.</li> <li>c) Power to borrow moneys otherwise than on debentures.</li> <li>d) Power to invest the funds of the Company.</li> <li>e) Power to make loans.</li> </ol>
Delegation of powers	<p>121. 1) The Board of directors may by a resolution passed at a Meeting delegate to any committee of the Directors or to the Managing Director the power specified in sub-clause (c), (d) and (e) of Article 120 above.</p> <p>2) Every resolution delegating power set out in sub-clause (c) shall specify the total amount outstanding at anytime upto which moneys may be borrowed by the said delegate.</p> <p>3) Every resolution delegating the power referred to in sub-clause (d) shall specify the total amount upto which the funds may be invested and the nature of the investment which may be made by the delegate.</p> <p>4) Every resolution delegating the power referred to in sub-clause (e) above shall specify the total amount upto which loans may be made and the maximum of loan that may be made for such purpose in individual case.</p>



## COMMON SEAL

- Affixture of  
Common seal
122. The Board shall provide a Common Seal of the Company and shall have power from time to time destroy the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal.
123. The Seal shall not be affixed to any instrument except by authority of a resolution of the Board or of committee of the board authorised by it in that behalf and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director atleast in whose presence the seal shall have been affixed and counter-signed by the Secretary or such other persons as may from time to time be authorised by the Board provided nevertheless that any instrument bearing the seal of the Company and issue for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same.

## DIVIDENDS AND RESERVES

- Declaration of  
Dividend
124. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
- Interim  
Dividend
125. The Board may from time to time pay to the members such interim dividends as appears to them to be justified by the profits of the Company.
- Reserve funds
126. 1) The Board may before recommending any dividend, set aside out of the profits of the Company, such as they think proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends, and pending such application, may at their discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit.
- 2) The Board may also carry forward any profits which they may think prudent not to divide, without setting' them aside as reserve.
- Method of Payment  
of Dividend
127. 1) Subject to the rights of persons if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up or credited as paid up on the shares in respect whereof the dividend is paid.
- 2) No amount paid or credit as paid on a share in advance of calls shall be treated for the purpose of these regulations as paid on the share.
- 3) All dividends shall be appointed and paid proportionately to the amounts paid or credit as paid on the shares during any portion or portions of the period in respect of which the dividends is paid, but if any share is issued on terms providing that it shall rank for dividends from a particular date, such share shall for dividend accordingly.
- Deduction of  
Members
128. The Board may deduct from any dividend payable to any member all sums of moneys, if any presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- Payment of  
cheque or  
warrant
129. 1) Any dividend, interest or other moneys payable in respect of shares may be paid by cheque or warrant sent through the post, to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint-holders who is first named on the Register of Members or to such person and to such address as the holder or the first of the joint-holders may in writing direct.

- 2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 3) Every such cheque or warrant shall be posed within forty-two days from the date of declaration of dividend.
- 4) Any dividend declared is deemed to be paid not on the day on which the cheque or warrant is posted in the manner stated above. No dividend shall bear interest against the Company.

- Transfer of shares not to pass prior dividend 130. Any transfer of shares shall in to pass the right to any dividend declared thereon before the registration of the transfer.
- Notice of dividend 131. Notice of any dividend that may have been declared shall be given to the persons entitled to the share in the manner mentioned in the Act.
- Unclaimed dividend 132. No unclaimed dividends shall be forfeited by the Board, and the Company shall comply with the provisions of Section 205 (a) of the Companies Act, in respect of such dividends.

### **CAPITALISATION OF PROFITS**

- Capitalisation of profits 133. 1. The Company in General Meeting may on the recommendation of the Board, resolve
- a. That is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profits and loss account or otherwise, available for distribution; and
  - b. that such sums be accordingly set free for distribution in the manner specified clause (2) below, amongst the member who would have been entitled thereto if distributed by way of dividend and in the same proportions.
2. The sum aforesaid not be paid in cash but shall be applied subject to the provisions contained in clause (3) below, either in or towards.
- i. Paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - ii. Paying up in full, unissued shares or debentures of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; and
  - iii. Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
3. A Share premium Account and Capital Redemption Reserve Account may for the purpose of this regulation only be applied in the paying upon unissued shares to be issued to members of the Company as fully paid bonus shares.
4. The Board shall give effect to resolutions passed by the Company in General Meeting in pursuance of this Article.
- Powers of Directors for declaration of bonus 134. 1) Whenever such a resolution as aforesaid shall have been passed the Board shall;
- a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issued of fully paid shares if any, and

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

### ACCOUNTS

Books of Accounts

135. 1) The Board shall cause proper books of accounts to be kept in respect of sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.
- 2) If the Company shall have a branch office, whether in or outside India, proper books of accounts relating to the transactions effected at that office, shall be kept at the office and proper summarised returns, made upto date at intervals of not more than 3 months shall be sent by the branch office to the Company at the Registered Office or other place in India, as the Board thinks fit, where the main books of the Company are kept.
- 3) Provided that all or any of the books of accounts of aforesaid may be kept at such other place in India as the Board of Directors so decide the Company shall within seven days of the decisions, file with the Registrar a notice in writing giving the full address of that other place.
- 4) All the aforesaid books shall give a fair and true view of the affairs of the Company; or of its branch as the case may be, with respect to the matters aforesaid, and explain its transactions.

Inspection by Members

136. No member not being a Director shall have any right of inspecting any account or books or documents of the Company, except as conferred by the Statute or authorised by the Board or by a resolution of the Company in General Meeting.

Statement of account to be furnished to Annual General Meeting provisions

137. The Board shall lay before each Annual General Meeting a profit and Loss Account for the financial year of the Company and a Balance Sheet made up as the end of the financial year which shall be a date which shall not proceed the day of the meeting by more than six months or such extended period of time as shall have been granted by the Registrar under the of the Act, for holding such Annual General Meeting.

Board's Report to be attached to Balance Sheet

138. 1) Every balance sheet laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the company's affairs, the amounts if any, which they propose to carry to any reserve in such Balance Sheet and the amount, if any, which they recommend to be paid by way of dividend, material changes and commitments if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

- 2) The Report, shall so far as it is material for the appreciation of the state of the Company affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries or in the nature of the business carried on by them and generally in classes of business in which the Company has an interest.

#### **AUDIT**

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| Accounts to be audited  | 139. Every Balance Sheet and Profit and Loss Account shall be audited by one or more auditors to be appointed as hereinafter mentioned.  |
| Appointment of Auditors   | <p>140. 1. The Company at the Annual General Meeting in each year shall appoint an auditor or auditors to hold office from the conclusion of that Meeting until the conclusion of the next Annual General Meeting.</p> <p>2. At any Annual General Meeting a retiring Auditor, by whatsoever authority appointed, shall be reappointed unless</p> <p style="margin-left: 40px;">a) he is not qualified for re-appointment</p> <p style="margin-left: 40px;">b) he has given the Company notice in writing of his unwillingness to be re-appointed</p> <p style="margin-left: 40px;">c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed;</p> <p style="margin-left: 80px;">or</p> <p style="margin-left: 40px;">d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.</p> <p>3) The Directors may fill any casual vacancy in the office of any Auditor but while any such vacancy continues, the remaining auditor or auditors (if any) may act; where such a vacancy is caused by the resignation of an auditor, the vacancy shall only be filled by the Company in General Meeting.</p> |
| Remuneration of Auditor   | 141. The remuneration of the auditors shall be fixed by the Company in General Meeting except that the remuneration of the first auditors and of any auditors appointed to fill any casual vacancy may be fixed by the Board of Directors.   |
| Accounts when audited and approved to be conclusive except as to error discovered within 3 months | 142. The accounts of the Company when audited and approved by a General Meetings shall be conclusive except as regards any error discovered therein within three months next after the approval thereof; whenever any such error is discovered within that period the accounts shall forth with be corrected, and henceforth be conclusive.  |

#### **SERVICES OF DOCUMENTS AND NOTICE**

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| Service of documents on the Company | <p>143. A document may be served on the Company or an officer thereof by sending it to the company or officer at the Registered Office of the Company by post under certificate of posting or by leaving it at the Registered Office.</p> <p>144. 1) A document (which expression for this purpose shall be deemed to include and shall include any summons notices, requisition process order, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to this 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 notice to him.</p> |
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- 2). All notices shall with respect in any registered shares to which person are entitled jointly be given to whichever or such persons is named first to the registered and notice so given shall be sufficient notice to all the holders of such shares.
- 3) Where a document is sent by post service thereof shall be deemed to be effected; by properly addressing pre-paying and posting a letter containing the document provided that where a member has intimated to the company in advance 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 sum sufficient to defray the expenses of doing so, service, of the document shall deemed to be effected unless it is sent in the manner intimated by the member; and such services shall be deemed to have been effected.
  - i) in the case of a notice meeting at the expiration of forty eight hours after the letter containing the notice is posted and
  - ii) in any other case, at the time at which the letter would be delivered in the ordinary-course of post.

Members to notify address in India	145. Each registered holder of shares shall from time to time, notify in writing the company some places in India to be registered as his address and such registered place of address shall for purpose be deemed his place of residence.
Service on person acquiring shares on death or insolvency of Member	146. A document may 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 post in a pre-paid letter addressed to them by name or by the title or representatives of the deceased or assignees of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be; so entitled or (until such an address has be so supplied) by service the document in any manner in which the same might have been served if the death or insolvency had not occurred.
Persons entitled to notice of General Meeting	147. Subject to the provisions of the Act and these Articles notice of General Meeting shall be given. <ol style="list-style-type: none"> <li>i) to the members of the Company as in any manner authorised by these Articles or as authorised by the Act.</li> <li>ii) to the persons entitled to a share in consequence of the death or insolvency of a members as provided by Article 144 or as authorised by the Act.</li> <li>iii) to the auditor or auditors for the time being of the company in any manner as authorised by the Act in the case of any member or members of the company.</li> </ol>
Advertisements	148. Subject to the provision of the Act any document required to be served or sent by the company on or to the members or any of the and not expressly provided for these present shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered office of the Company is situated.
Members bound by documents given to previous holders	149. Every person, who by the operation of law, transfer or other means whatsoever shall be become entitled to any share shall be bound by every document in respect of such share, which previously to his name and address being entered on the Register shall have been duly served on or send to the person from whom he derives his title to such share.
How notice to be signed	150. Any notice to be given to the Company shall be signed by the Managing Director or by the Secretary or by such Director or office as the Board may appoint. The signature to any notice to be given by the company may be written or printed or lighthographed.

## **AUTHENTICATION OF DOCUMENTS**

Authentication of documents and proceeding

151. Save as otherwise expressly provided in the Act or these presents a document or proceeding requiring authentication by the Company may be authenticated by the signature of the Director, the Managing Director, the Secretary or an authorisation officer of the company and need not be under its seal.

## **WINDING UP**

Winding up

152. If the Company shall be wound up and the assets available for distributing amongst the members as such shall be in sufficient to repay the whole of the paid up equity capital or equity capital deemed to be paid-up such assets shall be distributed so that as nearly as may be losses shall be borne by the members in proportion to the equity capital paid-up, deemed to be paid up at the commencement of the winding up, on the shares held by them respectively; and if in winding up the assets available for distributing amongst the members shall be more than sufficient to repay the whole of the equity capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the equality capital paid up or deemed to be paid up at the commencement of the winding up, on the shares held by them respectively. Where capital is paid up on any sharers in advance of calls, upon the footing that the same shall carry interests, such capital shall be excluded and shall be repayable in full before any distribution is made on the paid up capital deemed to be paid-up together with interest at the rate agreed upon. The provisions of the Article shall be subject to any special class of shares forming part of the capital of the Company.

Division of assets of the Company in specie among members

153. 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 special 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 contribution or any of them as the liquidators with the like sanction shall think fit, so that no members shall be compelled to accept any shares or securities whereon there is any liability. In case any share or securities to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to the said shares or securities may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable, act accordingly.

## **INDEMNITY AND RESPONSIBILITY**

Right of director and other to indemnity

154. 1) Subject to the provisions of Section 201, the Managing, Technical Executive or whole time Directors, and every Director, Manager, security and other officer or Employees of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company, to pay all costs, losses, and expenses (including travelling expenses) which any such Managing, Technical, Executive, or whole-time Director, Directors, Secretary, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him or in any other way in the discharge of his duties as such managing, technical, Executive or Whole-time Directors, Directors, Secretary, Officer or Employee.



2) Subject as aforesaid the Managing, Technical Executive, or Whole-time Director, and every Director, Manager, Secretary or other officer or Employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour or in which they or he is acquitted or discharged or in connection with any application under Section 633 in which relief is given to them or him by the court.

Not responsible  
for acts of others

155. 1) subject to the provision of Section 201 no Director or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for jointing in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficient or deficient if title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any money of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any other loss occasioned by any error of judgement or oversight on his part, or for any other loss, or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

2) Without prejudice to the generally of foregoing it is hereby expressly declared that any filing fee payable on any document required to be filed with the Registrar of Companies in respect of any act done by any Director or other officer by reason, of his holding the said office, shall be paid and borne by the Company.

Secrecy Clause

156. 1) No member shall be entitled to visit or inspect the Company's works without the permission of the Directors of Managing Directors, or to require discovery or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, or 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 business of the Company to communicated to the public.

2. Every Director, Managing, Technical Whole-time Executive Director, Manager, Secretary, Auditor, Trustee member of a Committee, officer, Agent, Accountant, Employee or other persons employed in the business of the Company shall if so required by the Board before entering upon his duties, or at anytime during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts 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 of Directors, or by any General Meeting or by a Court of law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.

Sl. No.	Names, Addresses, Description and Occupation of Subscribers With Signatures	Signature, Name, Address Description & Occupation of Witness
1.	Sd/- <b>V. NATARAJAN</b> S/o G. Venkatesan 65, III Street, Sector, West K.K. Nagar, Madras 600 078. Service	
2.	Sd/- <b>R.SURESH</b> S/o Sri. V.R. Ramanujam 12, Gokulam Street, West Mambalam, Madras 600 033. Service	
3.	Sd/- <b>G.V. GOPAL</b> S/o G. Venkataraju 16, Valliammal Street, Kilpauk, Madras 600 010. Service	
4.	Sd/- <b>C. VIDYA SANKAR</b> S/o V. Chandramouliswaran 6, Manner Reddy Street, T.Nagar, Madras 600 017. Service	Sd/- <b>R.M.V. Balaji</b> Chartered Accountant S/o. Late R.M.V.R. Rao E-7, III Floor Gemini Parsn Apartments Cathedral Garden Road, Madras 600 006.
5.	Sd/- <b>R. MARAN</b> S/o S. Ranganathan ( Late) No. 1, Panchayat Market Lane Radha Nagar, Chrompet, Madras 600 044. Service	
6.	Sd/- <b>R.K. PRASAD</b> S/o S. Krishnaiah 127, Durgadevi Nagar, Ennore High Road, Tondiarpet, Madras 600 081. Service	
7.	Sd/- <b>N. BHARADWAJA</b> S/o N.V. Rattaiah 501, Apex Chambers 20, Thyagaraya Road, T. Nagar, Madras 600 017. Business	

Place : Madras  
Date : 2.12.94.