

ARTICLES OF ASSOCIATION  
OF  
**GRP LIMITED**  
(Formerly known as Gujarat Reclaim & Rubber Products Limited)

**TABLE “A” EXCLUDED**

1. The regulations contained in the Table marked “A” in the First Schedule to the Companies Act, 1956, shall not apply to the Company except so far as the same are repeated, contained or expressly made applicable in these Articles.

Table “A” not to apply

**INTERPRETATION**

2. In the interpretation of these Articles the following expression shall have the following meanings, unless repugnant to the subject or context:-

Interpretation Clause

“The Act” means “The Companies Act, 1956” or any statutory modification or re-enactment thereof for the time being in force.

“The Act”

“Auditors” means and includes those persons appointed as such for the time being by the Company.

“Auditors”

“Board”, or “Board of Directors” means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles.

“Board” or  
“Board of Directors”

“Capital” means the capital for the time being raised or authorized to be raised for the purposes of the Company.

“Capital”

“The Company” or “This Company” means GRP Limited.  
(As amended by a special resolution passed at the Extra-ordinary General Meeting of the company held on 12<sup>th</sup> June, 2012 and as approved by the Registrar of Companies, Gujarat w.e.f.21<sup>st</sup> June, 2012)

“The Company” or “This Company”

(The original clause before this amendment is given in Annexure 2)

“Directors” means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.

“Directors”

“Dividend”, includes bonus.

“Dividend”

Words importing the masculine gender also include the feminine gender.

“Gender”

“In writing” and “written” include printing, lithography and other modes of representing or reproducing words in a visible form.

“In writing” and “written”

“Marginal Notes”	The “Marginal Notes” hereto shall not affect the construction hereof.
“Members”	“Members” means the duly registered holders, from time to time of the shares of the Company.
“Meetings”	“General Meeting” means a General Meeting of the members.
“Annual General Meeting”	“Annual General Meeting” means a General Meeting of the members held in accordance with the provisions of Section 166 of the Act.
“Extraordinary General Meeting”	“Extraordinary General Meeting” means an extraordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.
“Month”	“Month” means a calendar month.
“Office”	“Office” means the Registered Office for the time being of the Company.
“Paid up”	“Paid up” includes credited as paid up.
“Persons”	“Persons” include corporations and firms as well as individuals.
“Proxy”	“Proxy” means an instrument whereby any person is authorized to vote for a Member at a General Meeting or poll.
“Register of Members “	“Register of Members” means the Register of Members to be kept pursuant to Section 150 of the Act.
“The Registrar”	“The Registrar” means the Registrar of Companies.
“Company’s Regulations”	“Company’s Regulations” means the Regulations for the time being for the Management of the Company.
“Seal”	“Seal” means the Common Seal for the time being of the Company.
“Share”	“Share” means share in the share capital of the Company, and includes stock except where a distinction between stock and shares is expressed or implied.
“Singular Number”	Words importing the singular number include where the context admits or requires the plural number and vice versa.
“Special Resolution”	“Special Resolution” shall have the meaning assigned thereto by Section 189 of the Act.
“The Statutes”	“The Statutes” means the Companies Act, 1956, and every other Act for the time being in force affecting the Company.
Expressions in the Act To bear the same meaning in Articles	Unless the context otherwise required, words and expressions contained in these Articles shall bear the same meaning as in the Act or any Statutory modification thereof for the time being in force.

## **CAPITAL**

Capital	3. The Authorized Share Capital of the Company is Rs.1,50,00,000/- (Rupees One Crore Fifty Lacs) divided into 15,00,000 (Fifteen Lacs) Equity Shares of Rs.10/- (Rupees Ten) each. The Company has power to divide the shares in the Capital for the time being into several classes & to
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attach thereto respectively preferential, deferred, qualified or special rights, Privileges or conditions. The Company is authorized to increase, reduce or modify & alter its Capital in the manner hereinafter provided.

(As amended vide Special Resolution passed at the Extra-Ordinary General Meeting of the Company held on 27<sup>th</sup> February, 1993).  
(The original clause before this amendment is as given in annexure 2)

4. The shares or other interest of any member in the Company shall be moveable property, transferable in the manner provided by the Articles of the Company.

Every share transferable etc.

5. The Company in General Meeting may, by ordinary resolution from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company, and with a right of voting at General Meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Company shall file with the Registrar, notice of the increase of capital as required by Section 97 of the Act within thirty days after the passing of the resolution authorising the increase.

Increase of capital by the Company and how carried into effect.

6. a) Neither the original capital nor any increased capital shall be of more than two kinds, namely (1) Equity share capital and (2) Preference share capital, as defined in Section 85 of the Act.

Capital to be of two kinds only.

b) Subject to the provisions of the Act and all other applicable provisions of law, the Company may issue shares either equity or any other kind with non-voting rights and the resolutions authorizing such issue shall prescribe the terms and conditions of the issue.

c) The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

(As inserted by a special resolution passed at the Annual General Meeting of the Company held on 28<sup>th</sup> September 1995)  
(The original clause before this amendment is given in Annexure 2)

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

New capital same as existing capital

8. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are, or at the option of the Company are to be, liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

Redeemable preference shares

Provisions to apply on issue of redeemable preference shares.

9. On the issue of redeemable preference shares under the provisions of Article 8 hereof the following provisions shall take effect :

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption.
- (b) No such shares shall be redeemed unless they are fully paid.
- (c) The Premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the Shares are redeemed.
- (d) Where any such shares are redeemed otherwise than out of the proceeds of fresh issue, there shall, out of the profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called "The Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.
- (e) Subject to the provisions of Section 80 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

Reduction of capital etc.

10. Company may (subject to the provisions of section 100 to 104 inclusive, of the Act) from time to time by Special Resolution, reduce (a) its share capital, (b) any Capital Redemption Reserve Account, (c) any share premium account in any manner and with subject to any incident authorized and consent required by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This article is not to derogate from any power the Company would have if it were omitted.

Consolidation, sub-division and cancellation of shares

11. The Company in general meeting may by an ordinary resolution alter the conditions of its memorandum as follows :

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
- (c) cancel any shares which, at the date of the passing of the resolution 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. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

Whenever the Company shall do any one or more of things provided for in the foregoing sub-clauses (a), (b) and (c) the Company shall, within one month thereafter, give notice thereof to the Registrar as required by Section 95 of the Act specifying as the case may be the shares consolidated, divided, sub-divided, or cancelled.

12. Whenever the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of the special resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions hereinafter contained as to general meetings shall mutatis mutandis, apply to every such meeting. This Article is not to derogate from any power the Company would otherwise have, if it were omitted.

Modification of rights

## SHARES AND CERTIFICATES

13. The Company shall cause to be kept a Register and Index of Members in accordance with Section 150 and 151 of the Act.

Register and Index of Members

14. The Shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided.

Shares to be numbered progressively and no share to be sub-divided

15. (1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares :

Further issue of capital

(a) Such further shares 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 capital paid up on those shares at that date.

(b) Such offer shall be made by a 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;

(c) 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 person and notice referred to in sub-cause (b) hereof shall contain a statement of this right. Provided however that

the Directors may decline, without assigning any reason, to allot any shares to any person in whose favour any member may renounce the shares offered to him.

(d) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner as they think most beneficial to the Company.

(2) Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever;

(a) If a special resolution to that effect is passed by the Company in General Meeting; or

(b) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed by proxy, exceed, the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Director in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of clause (1) hereof shall be deemed

(a) to extend the time within which the offer should be accepted; or

(b) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company.

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

(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 term :

(i) either has been approved by the Central Government before the issue of Debentures or raising of the loans, or is in conformity with the rules if any, made by that Government in this behalf, and

(ii) in the case of debentures or loan other than debentures issued to, or loan obtained from, the Government or any Institution specified by the Central Government in this behalf, has also 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.

16. Subject to the provisions of these Articles, and of the Act, the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit and with power subject to the sanction of the Company in General Meeting to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or (subject to the provisions of Section 79 of the Act) at a discount and for such time and for such consideration as the Directors think fit.

Shares under control of Directors

17. (1) Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "THE SHARE PREMIUM ACCOUNT" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this clause, apply as if the share premium account were paid up share capital of the Company.

Application of premium received on shares

(2) The Share Premium Account may, notwithstanding clause (1) hereof be applied by the Company;

(a) in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares;

(b) in writing off the preliminary expenses of the Company;

(c) in writing off the expenses of or the commission paid or discount allowed, on any issue of shares or debentures of the Company; or

(d) in providing for the premium payable on the redemption of any redeemable preference shares on the redemption of any redeemable preference shares or debentures of the Company; or

(e) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Power also to Company  
in General Meeting to  
issue shares

18. In addition to and without derogating from the powers under Article 15, the Company in general meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion or at par or (subject to compliance with provisions of Section 79 of the Act) at a discount, as such general meeting shall determine and with full power to give any person the option to call for or be allotted shares of any class of the Company either at premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any such shares.

Shares at a discount

19. The Company may issue at a discount shares in the Company of a class already issued, if the following conditions are fulfilled, namely:

(i) the issue of the shares at a discount is authorized by a resolution passed by the Company in General Meeting and sanctioned by the Court;

(ii) the resolution specified the maximum rate of discount (not exceeding ten per cent or such higher percentage as the Central government may permit in any special case) at which the shares are to be issued; and

(iii) the shares to be issued at a discount are issued within two months after the date on which the issue is sanctioned by the Court or within such extended time as the Court may allow.

Installments on shares  
to be duly paid

20. If by the conditions of any allotment of any shares the whole or any part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives.

The Board may issue  
shares as fully paid up

21. Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company as payment of any property sold or transferred or for services rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares.

Acceptance of shares

22. Any application duly signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is therefore placed on the register shall, for the purposes of these articles, be a member. The Directors shall cause the Company to comply with the provisions of Sections 71, 72 and 73 of the Act so far as they are applicable.

23. The money, (if any) which the Board of Directors shall on the allotment of any shares being made by them require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such share, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Deposit and calls etc. to be a debt payable immediately

24. Every member and his heirs, executors or administrators to the extent of his assets come to their hands shall be liable to pay to the Company the portion of the capital represented by his share or shares which may for the time being, remain unpaid thereon in such amounts, at such time or times, and in such manner, as the Board of Directors shall from time to time, in accordance with Company's regulations require or fix for the payment thereof.

Liability of members

25. Every member or allottee shall be entitled without payment, to receive one certificate under the Common Seal of the Company in such form as the Board of Directors shall prescribe or approve for all the shares of the same class allotted to him or registered in his name or (upon payment of such fee not exceeding rupee one per Certificate as the Directors may from time to time determine) to several certificates each for one or more of such certificates, and specifying the number and distinctive numbers of the share or shares allotted to him or registered in his name, and the amount paid thereon and such certificates shall be signed in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960, and their statutory modifications for the time being in force. Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.

Share Certificate

26. The Board of Directors may renew a share certificate or issue duplicate of a share certificate, if such share certificate,

Renewal of Certificate

(a) is proved to have lost or destroyed; or

(b) having been defaced or mutilated or torn is surrendered to the Company.

The Company shall observe the Companies (Issue of Share Certificates) Rules, 1960, and the statutory modifications thereof for the time being in force.

27. If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus, or service of notice and all or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole

The first named of joint-holders deemed sole holder

holder hereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due to respect of such share, and for all incidents thereof according to the Company's Regulations.

Company not bound to recognize any interest in shares other than that of Registered holder

28. The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these presents otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these presents, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them.

No Purchase of or loans on Company's shares

29. None of the funds of the Company shall except as provided by Section 77 of the Act be employed in the purchase of its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Section 100 to 104 of the Act or in giving either 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 a purchase or subscription made or to be made by any person, of or for any shares in the Company or in its holding Company.

## UNDERWRITING AND COMMISSION

Power to pay certain commission and prohibition of payment of all other commissions, discounts etc.

30. (1) The Company may pay a commission to any person in consideration of :

(a) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in Sub-section 4A of Section 76 of the Act, or

(b) his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in or debentures of the Company, if the following conditions are fulfilled namely,

(i) the commission paid or agreed to be paid does not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued;

(ii) the amount or rate per cent of the commission paid or agreed to be paid is, in the case of shares or debentures offered to the public for subscription, disclosed in the prospectus, and in the case of shares or debentures not offered to the public for subscription, disclosed in the statement in lieu of prospectus and filed, before the payment of the commission, with the Registrar, and where a circular or notice, not being a prospectus inviting

subscription for the shares or debentures is issued, also disclosed in that circular or notice;

(iii) the number of shares or debentures which persons have agreed for a commission to subscribe absolutely or conditionally, is disclosed in the manner aforesaid; and

(iv) a copy of the contract for the payment of the commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.

(2) Save as aforesaid and save as provided in Section 79 of the Act, the Company shall not allot any of the shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of :

(a) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in or debentures of the Company;

(b) his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in debentures of the Company whether the shares, debentures or money be so allotted or applied by being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed by the Company or the money be paid out of the nominal purchase money or contract price or otherwise.

(3) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received in payment of any commission, the payment of which if made directly by the Company, would have been legal under Section 76 of the Act.

(4) The commission may be paid or satisfied (Subject to the provisions of the Act and these Articles) in cash or in shares, debentures or debenture- stock of the Company.

31. The Company may on any issue of shares or debentures pay such brokerage as may be reasonable and lawful.

Brokerage

32. Where the Company has paid any sum by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any shares or debentures such statement thereof shall be included in the Annual Returns as required by Part 1 of Schedule V to the Act.

Commission to be included in the annual return.

## INTEREST OUT OF CAPITAL

Interest out of Capital      33. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of the plant.

## CALLS

Directors may make calls.      34. Subject to the provisions of Section 91 of the Act the Board of Directors may, from time to time, by a resolution passed at a meeting of the Board (and not by Circular Resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call on made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments.

Notice of calls.      35. Fifteen days notice at the least of any call shall be given by the Company, specifying the time and place of payment, and to whom such call shall be paid.

Calls to date from Resolution.      36. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors

Restriction on power to make calls.      37. No call shall exceed one-fourth of the nominal amount of the share or be made payable within two months after the last preceding call was payable.

Directors may extend time.      38. The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such times as to all or any of the Members who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension; but no member shall be entitled to such extension as of right.

Amount payable at fixed time or by installment to be treated as calls.      39. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installments shall be payable as if it was a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

40. If the sum payable in respect of any call or installment be not paid or before the day appointed for the payment thereof, the holder for the time being or allottee of the shares in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding twelve per cent per annum as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

When interest on call or  
or installment payable

41. On the trial on hearing of any action or suit brought by the Company against member or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these presents; and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of debt.

Proof on trial of suit of  
money due on share

42. Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Partial payment not to  
preclude forfeiture

43. The Board of Directors may, if it thinks fit, agree to and receive from in any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond sums actually called for; and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on accounts of which such advances are made, the Board of Directors may pay or allow interest, at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent per annum as the Member paying, the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such member three months' notice in writing. Money paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in profits.

Payment in anticipation  
of calls may carry  
interest

## LIEN

Company's lien on shares

44. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 28 hereof will have full effect. And such lien shall extend to all dividends, bonuses from time to time declared in respect of such shares. 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. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

(As amended by a special resolution passed at the extra-ordinary general meeting of the company held on 30<sup>th</sup> July, 1975)

(The original clause before this amendment is as given in annexure 2)

As to enforcing lien by sale

45. The Company may sell in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same. Provided that no sale shall be made :

(a) unless a sum in respect of which the lien exists is presently payable, or

(b) until expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

Sale how effected

46. (1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceeding in reference to the sale.

Application of proceeds of sale

47. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale.

## FORFEITURE OF SHARES

48. If any member fails to pay any call or installments of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, during such times as the call or installment remains unpaid, give notice to him 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.

If money payable on share not paid notice to be given to member.

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

Form of Notice.

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

In default of payment shares to be forfeited.

51. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members.

Notice of forfeiture to a member.

52. Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

Forfeited shares to be the property of the company and may be sold etc.

53. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installment interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereof from the time of the forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation so to do.

Member still liable to pay money owing at time of forfeiture and interest.

Effect of forfeiture. 54. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these presents are expressly saved.

Power to annul forfeiture. 55. The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annul the forfeiture thereof upon such conditions as it thinks fit.

Validity of sale under Article 52. 56. (1) A duly verified declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts, therein stated as against all persons claiming to be entitled to the share.

(2) The Company may receive the consideration if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(3) The person to whom such share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the share.

(4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall he be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

(5) Such purchaser or allottee 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, reallotment or other disposal of the share.

Provisions of these Articles as to forfeiture to apply in case of non-payment of any sum. 57. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum, which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Surrender of shares. 58. The Directors may subject to the provisions of the Act, accept surrender of any shares from or by any member desirous of surrendering on such terms as they think fit.

## **TRANSFER AND TRANSMISSION OF SHARES**

Register of Transfers. 59. The Company shall keep a book, to be called the Register of Transfers, and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

60. Subject to the provisions of Section 108 of the Act, the instrument of transfer of nay share shall be in writing No. 7-B as prescribed under the Companies (Central Government's) General Rules and Forms, 1956 or prescribed from time to time by law, provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf

Form of transfer.

61. (1) An Application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.

Application for transfer.

(2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

(3) For the purposes of sub-clause (2) above notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

62. Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

To be executed by transferor and transferee.

63. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Transfer by legal representative.

64. The Board of Directors shall have power on giving seven day's previous notice by advertisement in some newspaper circulating in the town where the registered office of the Company situate, to close the Transfer Books, the Register of Members or Register of Debenture Holders at such time or times and for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as to it may seem expedient.

Transfer books when closed.

65. (a) Subject to the provisions of Section of the Act or any statutory modification thereof, for the time being in force, the Directors may at their absolute decretion and without assigning any reason, decline to register and transfer of shares and in particular may so decline.

Directors may refuse to recognize transfer.

in any case in which the Company has a lien upon the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Directors and such refusal shall not be affected by the fact that the proposed transferee is already a member. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the Transferee.

(b) No share shall in any circumstances be transferred to an insolvent or person of unsound mind.

(c) Registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons is indebted to the company on any account except a lien on the shares.

Directors may decline to recognize transfers.

66. The Board may also decline to recognize any instrument of transfer unless: -

(a) the instrument of transfer is accompanied by the certificate of the shares to whom it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of shares; and

(c) The instrument of transfer is duly stamped.

Notice of refusal to be given to transferor and transferee.

67. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within two months from the date on which the instruments of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.

Death of one or more jointholders of shares.

68. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only person recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

Title to shares of deceased member.

69. The executors or administrators of a deceased member or the holder of succession certificate in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration or

Succession Certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board of Directors in its absolute discretion think fit, the Board upon such terms as to indemnity or otherwise as to Directors may seem proper may dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 70, the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

70. Subject to the provisions of the Articles 68 and 69, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board of Directors think sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board of Directors registered as such holder provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and, until he does so, he shall not be freed from any liability in respect of the shares. This article is referred to in these presents as "The Transmission Clause".

Registration of persons entitled to shares otherwise than by transfer.

71. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer, presented for registration.

Refusal to register nominee.

72. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall, from time to time prescribe and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors. But any instrument of transfer which the Board of Directors may decline to register shall on demand be returned to the person depositing the same.

Transfer to be present with evidence of title.

73. Previous to the registration of a transfer, the certificate or certificates of the shares to be transferred must be delivered to the Company along with (save as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.

Conditions of registration of transfer.

No fee on transfer of transmission

74. No fee on transfer or transmission shall be charged by the Company.

The company not liable for disregard of a notice prohibiting registration of a transfer.

75. The Company shall incur no liability or responsibility whatever in consequence of its 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 right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.

Copies of Memorandum & Articles of Association to be sent by the Company.

76. The Company shall subject to the payment of the fee prescribed under Section 39 of the Act or its statutory modification for the time being in force, on being so required by a member, send to him within seven days of the requirement, a copy of each of the following documents as in force for the time being :

(a) The Memorandum

(b) The Articles.

(c) Every other agreement and every resolution referred to in Section 192 of the Act if and in so far as they have not been embodied in the Memorandum of Company or these Articles.

## **BORROWING POWERS**

Power to borrow.

77. (1) The Board may from time to time raise any money or moneys for the purpose of the Company provided that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not without the sanction of the Company at a 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 provisions of Section 293 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum or sums of moneys for the purpose of the Company, by the issue of debentures, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities and in security of any such money so borrowed, raised or received, 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 transfer or convey the same absolutely or in trust and give the lenders, powers of sale and other powers as may be expedient and purchase, redeem or pay off any such securities.

Power to borrow.

(2) Subject, to the provisions of the clause next above the Board 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 times and in such manner and upon such terms and conditions in all respects 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 debentures or debenture-stock of the Company charged upon all or any part of the property of the Company, (both present & 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.

Provided that subject to the provisions of Section 292 of the Act the Board may by a resolution delegate the power to borrow money otherwise than on debentures to Committees or Managing Directors subject to limits specified in the said resolution of the total amount which may be so borrowed.

(3) The Board may, out of the annual profits of the Company or otherwise, set aside such sums as they may think fit for the purpose of providing a Redemption Fund for the repayment of any bonds, mortgage, debentures or debenture stock which may be issued by the Company in such amounts, at such premium, in such manner and at such period as they may think expedient.

(4) The Board may upon the issue of any bond, debenture, debenture-stock or security, give to the creditors of the Company holding the same or to any trustees or to other persons on their behalf, the power to appoint one or more of the Directors of the Company.

78. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the directors, who may issue them upon such terms and conditions, in such manner and for such consideration as they shall consider to be for the benefit of the Company Provided that bonds, debenture, debentures-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

Bonds, debenture, etc., to be subject to control of Directors.

79. Debentures, debentures-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.

Securities may be assignable free from equities.

Issue at discount etc., or with special privileges.

80. Any bonds, debentures, debenture-stock or other securities may be issued, subject to the provisions of the Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, attending at General Meeting of the Company, appointment of Directors and otherwise, and subject to the following:

Debentures with voting rights not to be issued.

(1) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.

(2) The company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

(3) Payment of certain debts out of asset subject to floating charge in priority to claim under the charge may be made in accordance with the provisions of Section 123 of the Act.

(4) Certain charges mentioned in Section 125 of the Act shall be void against the liquidator or creditors unless registered as provided in Section 125 of the Act.

(5) The term 'charge' shall include mortgage in these Article.

(6) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for special performance.

Limitation of time for issue of Certificates.

(7) The Company shall, within three months after the allotment of any of its debenture or debenture-stock and within two months after the application for the registration of the transfer of any such debenture, debenture-stock, have completed and have ready for delivery the certificate of all the debentures and the certificates of all the debentures-stock allotted or transferred, unless the conditions of issue of the debentures or debenture-stock otherwise provide.

The expression "transfer" for the purpose of this clause means a transfer duly stamped and otherwise valid, and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Right to obtain copies of and inspect Trust Deed.

(8) (a) A copy of any trust deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment:

(i) in the case of a printed trust deed, the sum of Rupee One; and

(ii) in the case of a trust deed which has not been printed, of thirty –seven paise for every one hundred words or fractional part thereof required to be copied.

(b) The trust deed referred to in item (a) above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.

81. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may, by instrument under the Company's seal, authorize the person in whose favour such mortgage or security is executed, or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions herein before contained in regard to calls, shall mutatis mutandis apply to calls and the power to make such calls may be made exercisable either conditionally or unconditionally, and either presently or contingently, and either to the exclusion of the Board's power or otherwise, and shall be assignable if expressed so to be.

Charges on uncalled capital.

82. 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.

Subsequent assignee of uncalled capital.

83. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the 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.

Indemnity may be given.

84. (1) The provisions of the Act relating to registration of charges, which expressions shall include mortgages, shall be complied with.

Registration of Charges, etc.

(2) In the case of a charge created out of India and comprising solely of property situate outside India, the provisions of Section 125 of the Act shall be complied with.

(3) Where a charge is created in India, but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act, or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceeding may be necessary to make the charge valid or effectual according to the law of the country in which the property is situate, as provided by Section 125 of the Act.

(4) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered, any person requiring such property or any part thereof or any share or interest therein shall

be deemed to have notice of the charge as from the date of such registration.

(5) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.

(6) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holder *pari passu*.

(7) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debenture.

(8) The provisions of Section 133 of the Act as to endorsement of certificate of registration on debenture or certificate of debenture-stock shall be complied with by the Company.

(9) the Company shall comply with the provisions of Section 134 of the Act, as regards registration of particulars of every charge and of every series of debentures.

(10) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.

(11) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the company and comply with the provisions of Section 137 of the Act in regard to entering in the Register of Charges any appointment of Receiver or Manager as therein provided.

(12) The Company shall also comply with the provisions of Section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.

(13) The Company shall keep at its registered office a Register of Charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the Company giving in each case :

(a) a short description of the property charged.

(b) the amount of the charge; and

(c) except in the case of securities to bearer, the name of persons entitled to the charge.

(14) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 144 of the Act.

85. The Company shall comply with the provisions of Section 150 of the Act as to Register of Members and the provisions of Section 152 of the Act as to Register and Index of Debenture-holders.

Register of Members and Debenture holders.

86. No notice of any trust, express or implied or constructive, shall be entered on the register of Members or of Debenture-holders.

Trust not recognized.

## GENERAL MEETINGS

87. (1) The Company shall, in each year hold, in addition to any other meetings, a general meeting as its Annual General Meeting in accordance with the provisions of Sections 166 and 210 of the Act and shall specify the meeting as such in the notice calling it. Except in the case where the Registrar has given an extension of time for holding any Annual General Meeting, not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Provided that if the Registrar shall have for a special reason extended the time within which any Annual General Meeting shall be held, such Annual General Meeting may be held within the additional time.

Annual General Meetings.

(2) Every Annual General Meeting shall be called for any 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 the Registered Office of the Company is situated for the time being.

88. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the proxies, and the Register of Directors' shareholdings.

Report, statement and registers to be laid before the Annual General Meeting.

89. All General Meetings other than Annual General meetings shall be Extraordinary General Meetings.

Extraordinary General Meeting.

90. (1) The Company shall comply with the provisions of Section 159 of the Act regarding the filing of Annual Returns and the provisions of Section 161 of the Act as regards the Annual Return and certificates to be annexed thereto.

Annual Returns

(2) The Register of Members, Index of Members, the Register and Index of debenture holders and copies of all Annual Returns prepared under Section 159 and 161 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act shall be

Place of keeping and inspection of registers and returns.

kept as the Registered Office of the Company. Provided that such registers, indices, returns and copies of certificates and documents or any or more of them, may, instead of being kept at the Registered Office of the Company be kept at any other place within the city, town or village in which the Registered Office of the Company is situated for the time being if:-

(i) Such other place has been approved for this purpose by a special resolution passed by the Company in General Meeting; and

(ii) The Registrar has been given in advance a copy of the proposed special resolution

Inspection.

(3) (a) The Registrar, Indices, Returns, and copies of certificate and other documents referred to in sub-clause (2) hereof shall, except when the Register of Members or Debenture holders is closed under the provisions of the Act, be open during the business hours (subject to such reasonable restrictions as the Company may impose so that not less than two hours in each are allowed for inspection) to the inspection (i) of any member or debenture holder without fee, and (ii) of any other person on payment of a fee of one rupee for each inspection.

(b) Any such member, debenture holder or other person may take abstracts from the said documents or require copy thereof in accordance with Section 163 of the Act.

(4) The Company shall cause any copy required by any person under clause (b) of sub-clause (3) to be sent to that person within a period of ten days, exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.

Circulation of  
Member's Resolution

91. (1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of members as in hereinafter specified and (unless the Annual General Meeting otherwise resolves) at the expense of the requisitionists :

(a) give to the members of the Company entitled to receive a notice of any resolution which may properly be moved and is intended to be moved at that meeting;

(b) circulate to members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

(2) The number of members necessary for a requisition under clause (1) hereof shall be :

- (a) such number of members as represents not less than one twentieth of the total voting power of all the members having at the date of requisition a right to vote on the resolution or business to which the requisition relates; or
- (b) not less than one hundred members having the right aforesaid and holding shares in the Company on which there has been paid up an aggregate sum of not less than rupee one lac in all.

(3) Notices of any such resolution shall be given and any such statement shall be circulated to members of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each member in any manner permitted by the Act for service of notice of the meeting; and notice of any such resolution shall be given to any other member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served or notice of the effect of the resolution shall be given as the case may be, in the same manner, and, so far as practicable, at the same time as notice of the meeting, and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

(4) The Company shall not be bound under this clause to give notice of any resolution or to circulate any statement unless :

- (a) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company (i) in the case of a requisition requiring notice of resolution not less than six weeks before the meeting, and (ii) in the case of any other requisition, not less than two weeks before the meeting; and
- (b) there is deposited or tendered with the requisition an sum reasonably sufficient to meet the Company's expenses in giving effect thereto provided that if after a copy of the requisition requiring notice of a resolution, has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the Copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.

(5) The Company shall also not be bound under this clause to circulate any statement, if, on the application either of the Company or of any other person to be aggrieved, the Court is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.

(6) Notwithstanding anything in these presents contained, the business which may be dealt with at an Annual General Meeting shall include any resolution of which notice is given in accordance with this Article and for the purposes of this clause notice shall be deemed to have been so given notwithstanding the accidental omission in giving it, to one or more members.

When Extraordinary meeting to be called.

92. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and they shall on requisition of the members as hereinafter provided, forthwith proceed to convene an Extraordinary General Meeting of the Company.

Extraordinary General Meeting by requisition.

93. In the case of requisition the following provisions shall have effect :

(1) The requisition shall set out the matters for the consideration of which the meeting is to be called shall be signed by the requisitionists, and shall be deposited at the Registered Office of the Company.

(2) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(3) The number of members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one tenth of such of the paid up capital of the Company as at that date carries the right of voting in regard to that matter.

(4) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.

(5) IF the Board does not, within twenty one days from the date of deposit of a valid requisition in regard to any matters proceed to duly call a meeting for consideration of those matters on a day not later than forty five days from the date of deposit of the requisition, the meeting may be called –

(a) by the requisitionists themselves, or

(b) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in sub-clause (3) whichever is less.

PROVIDED that for the purpose of the sub-clause the Board shall, in the case of a meeting at which a resolution is to be proposed as a special resolution be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

(6) A meeting called under clause (5) by the requisitionists or any of them;

(a) shall be called in the same manner, as nearly as possible as that in which meetings are to be called by the Board, but

(b) shall not be held after the expiration of three months from the date of deposit of the requisition.

PROVIDED that nothing in sub-clause (b) shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

(7) Where two or more persons hold any shares in the Company jointly, a requisition, or a notice calling a meeting signed by one or some only of them shall, for the purpose of this Articles have the same force and effect as if it had been signed by all of them.

(8) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

94. (1) A General Meeting of the Company may be called by giving not less than twenty one days' notice in writing.

Length of notice of meeting.

(2) A General Meeting may be called after giving shorter notice than specified in clause (1) hereof if consent in accorded thereto:

(i) in the case of an Annual General Meeting, by all the members entitled to vote thereat, and

(ii) in the case of any other meeting, by members of the Company holding not less than ninety five percent of such part of the paid up share capital of the Company as gives a right to vote 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.

Contents and manner of service of notice.

95. (1) Every notice of the meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Subject to the provisions of the Act, notice of every general meeting shall be given :

(a) to every member of the Company in the manner authorised by sub-section (1) to (4) of Section 53 of the Act;

(b) to the persons entitled to a share in consequence of the death or insolvency of member, by sending it through the post in a pre-paid letter addressed to them by name, or by title of representatives of the deceased or assignee 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 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; and

(c) to the auditor or auditors for the time being of the Company in any manner authorised by section 53 of the Act in the case of any member of the Company.

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by the Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

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

(4) Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that the proxy need not be a member of the Company.

Special and ordinary business and explanatory statement.

96. (1) (a) In case of an annual general meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to:

(i) the consideration of the account, balance sheet and reports of the Board of Directors and Auditors;

(ii) the declaration of dividend;

(iii) the appointment of Directors in the place of those retiring; and

(iv) the appointment of, and the fixing of the remuneration of the auditors.

(b) In the case of any other meeting, all business shall be deemed special.

(2) Where any items of business to be transacted at the meeting of the Company are deemed to be special as aforesaid there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest if any therein of every Director.

Provided that where any item of special business as aforesaid to be transacted at the meeting of the Company relates to or effects any other Company, the extent of shareholding interest in that other company of every Director shall also be set out in the statement, if the extent of such shareholding interest is not less than 20% of the paid up share capital of that other Company.

(3) Where any item of business consists of the according of approval of any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

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

Omission to give notice not to invalidate a resolution passed.

98. No general meeting, annual or extraordinary, shall be competent, to enter upon, discuss or transact any business which has not been mentioned in the notice convening the meeting.

Notice of business to be given.

99. Five members entitled to vote and present in person shall be quorum for a General Meeting and no business shall be transacted at any general meeting unless quorum requisite be present at the commencement of the meeting.

Quorum.

100. If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present the meeting, if called upon the requisition of members, shall stand dissolved. In any other case the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be quorum, and may transact the business for which the meeting was called.

Presence of Quorum.

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

Resolution passed at adjourned meeting.

Chairman of General Meeting.

102. The chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting whether Annual or Extraordinary. If there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting the members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take chair; then the members present shall elect one of their numbers to be the Chairman. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll, he shall be the Chairman for the rest of the meeting.

Business confined to election of Chairman whilst chair vacant.

103. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.

Chairman may adjourn meeting with consent.

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

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

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

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

Voting to be by show of hands in the first instance.

105. At any General meeting, a resolution put to the vote of the Meeting shall, unless a poll is demanded under Article 107, be decided on a show of hands.

Chairman's declaration of result of voting by show of hands conclusive.

106. A declaration by the Chairman that in pursuance of Article 105 on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favour or against such resolution.

Demand for poll.

107. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate

sum of not less than fifty thousand rupees has been paid-up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

(As amended by a special resolution passed at the Fourteenth Annual General Meeting of the Company held on 10<sup>th</sup> December, 1988).

(The original clause before this amendment is a given in Annexure 2)

108. A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question, (not being a question relating to the election of a Chairman which is provided for in Article 102) shall be taken at such time not being later than forty eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct.

Time of taking the poll.

109. In the case of an equality of votes the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled to as a member.

Chairman's casting vote.

110. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer from such removal or from any other cause.

Scrutineers at Poll.

111. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Demand for poll not to prevent transaction of other business.

112. Where by any provision contained in the Act or in these presents special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less seven days before the meeting.

Provisions applicable of resolution requiring special notice.

Resolutions  
requiring special  
notice.

113. The following resolution shall require special notice :

(1) Resolution under section 225 of the Act at an Annual General Meeting appointing as Auditor a person other than retiring auditor or providing expressly that a retiring auditor shall not be reappointed.

(2) Resolution under Section 284 of the Act removing a Director before the expiry of his period of office.

(3) Resolution under Section 284 of the Act appointing a Director in place of the Director removed.

Registration of  
documents and  
agreements with the  
Registrar.

114. A copy of each of the following resolutions (together with a copy of the statement of material facts annexed under Section 173 of the Act to the notice of the meeting in which such resolution has been passed) or agreements shall, within thirty days after the passing or making thereof, be printed or typewritten and duly certified under the signature of an officer of the Company and filed with the Registrar :

(a) every special resolution;

(b) every resolution which has been agreed to by all the members of the Company, but which if not so agreed to would not have been effective for the purpose unless it had been passed as a special resolution.

(c) any resolution of the Board of Directors of the Company nor agreement executed by the Company relating to the appointment, reappointment or renewal of the appointment of a Managing Director or varying the terms of any such resolution or agreement.

(d) every resolution or agreement which has been agreed to by all the members of any class of shareholders but which if not so agreed to, would not have been effective for the purpose unless it had been passed by some particular majority or in some particular manner required by the Act or by these presents; and every resolution or agreement which effectively binds all the members of any class of shareholders though not agreed to by, any of them.

(e) every resolution passed by the company :

(i) according consent to the exercise by the Board of Directors of any of the powers under clauses (a), (d) and (e) of sub-section (1) of Section 293 of the Act;

(ii) approving the appointment of sole selling agents under Section 294 of the Act; and

(f) the resolution for voluntary winding of the Company, duly certified under the signature of an officer of the Company within thirty days after the passing or making thereof.

And a copy of every such resolution or agreement for the time being in force shall also be embodied in or annexed to every copy of these presents issued after the passing of the resolution or the making of the agreement.

### VOTES OF MEMBERS

115. A member paying the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable;

Member paying moneys in advance not to be entitled to vote in respect thereof.

116. No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right or lien.

Restrictions on exercise of voting right of the members who have not paid calls.

117. (1) Every member of the Company holding any equity share capital and otherwise entitled to vote shall on a show of hands when present in person or (being a body corporate or President of India or Governor of a State present by a representative duly authorised) have one vote and on a poll when present in person or by an agent duly authorised under a Power of Attorney or by proxy or in accordance with Section 197 and 187A of the Act, his voting right shall be in proportion to his share of the paid up equity share capital of the Company.

Voting rights in respect of capital.

(2) (a) Save as provided in sub-clause (b) hereof every member of the Company having any preference share capital shall in respect of such capital have a right to vote only on resolutions placed before the Company which directly affect rights attached to his preference shares.

PROVIDED that any resolution for winding up of the Company or for the repayment or reduction of its share capital shall be deemed directly to affect the rights attached to preference shares within the meaning of this clause.

(b) Every member of the Company holding preference share capital shall in respect of such capital be entitled to vote on every resolution placed before the Company at any meeting, if dividend due on such capital or any part of such dividend has remained unpaid :

(i) in the case of cumulative preference shares in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting; and

(ii) in the case of non-cumulative preference shares either in respect of a period of not less than two years ending with the expiry of the financial

year immediately preceding the commencement of the meeting or in respect of an aggregate period of not less than three years comprised in the six years ending with the expiry of the financial year aforesaid.

PROVIDED that for the purposes of this clause, dividend shall be deemed to be due on preference shares in respect of any period, whether a dividend has been declared by the Company on such shares for such period or not;

(a) on the last day specified for the payment of such dividend for such period in the Articles, or other instrument executed by the Company in that behalf, or;

(b) in case no day is so specified, on the day immediately following such period.

Vote of members holding preference Shares.

(c) Where the holder of any preference share has a right to vote on any resolution in accordance with the provisions of the Sub-clause (b) hererof, he shall on a show of hands, when present in person, have one vote and his voting right on a poll as the holder of such share, when present in person or by agent duly authorised under a Power of Attorney or by proxy or in accordance with Section 187 and 187A of the Act shall, subject to the provisions of Section 89 and sub-section (2) of Section 92 of the Act, be in the same proportion as the capital paid up in respect of the preference share bears to the total paid up equity capital of the Company.

Vote by postal ballot

117A. Subject to the provisions of Section 192 A of the Act and these Articles, and as may be applicable by law, votes may be given on certain resolutions as may be notified by the Government from time to time, by postal ballot instead of transacting the business in General Meeting.  
(As inserted by a special resolution passed at the 30<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> August 2004).

Vote of member of unsound mind and minors.

118. A member of the unsound mind or in respect of whom order has been made by any Court having jurisdiction in lunacy, may be 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. A member who is a minor may vote by his guardian or any one of his guardians if more than one to be selected in case of dispute by the Chairman of the meeting.

Vote of joint members

119. If there be joint registered holders of any shares, any one of such persons may vote at any meeting either personally or by an agent duly authorized under a Power of Attorney or by proxy in respect of such shares, as if he were sole entitled thereto, and, if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect by agent or proxy stands first or higher in the Register in respect of such shares. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

120. (A) (1) A body corporate (whether a company within the meaning of the Act or not) if it is a member or creditor of the Company (including a holder of debentures), may authorize such person as it thinks fit by a resolution of its Board of Directors or other Governing Body to act as its representative at any meeting of the Company or of any class of members of the Company or at the meeting of the creditors of the Company or debenture holders of the Company.

Representation of Body Corporate and of the President and Governors.

(2) A person authorized 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 that body could exercise if it were an individual member, creditor, or holder of debentures of the Company.

(B) (1) The President of India or the Governor of a State, if he is a member of the Company, may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company.

Representation of the President and the Governors in meetings of companies of which they are members.

(2) A person appointed to act as aforesaid, shall for the purposes of this Act, be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or, as the case may be, the Governor could exercise as a member of the Company.

121. Any person entitled under the Transmission Clause to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Votes in respect of shares of deceased or insolvent members.

122. Subject to the provisions of these Articles, votes may be given either personally or by proxy.

Voting in person or by proxy.

123. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Right of Member to use his votes differently.

124. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation or the hand of its attorney, duly authorized by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

Appointment of proxy.

No proxy except for a Corporation or the President of a Governor to vote on a show of hands.	125. No member present only by proxy shall be entitled to vote on a show of hands, unless such member is a corporation or the President of India or Governor of a State present by a duly authorized representative who is not himself a member, in which case such duly authorized representative shall have a vote on a show of hands as if he were a member.
Deposit of instrument of appointment.	126. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the office not less than fortyeight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
Forms of Proxy.	127. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
Inspection of Proxies.	128. Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
Validity of votes given to proxy notwithstanding revocation of authority.	129. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney or authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation of transfer shall have received at the office before the commencement of the meeting, or adjourned meeting at which the proxy is used.
Time for objection to votes.	130. No objection shall be made to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for purposes. Any such objection made in due time shall be referred to the Chairman of the meeting.
Chairman of any meeting to be judge of validity of any vote.	131. The Chairman of any meeting shall be the sole judge of every vote tendered at such meeting. The Chairman present at the taking of a poll be the sole judge of the validity of every vote tendered at such poll.  132. If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the

Company; if embracing other objects copy thereof examined with the original, shall be delivered to the Company to remain the custody of the Company.

## DIRECTORS

133. Until otherwise determined by a General Meeting and subject to Section 252 of the Act, the number of Directors shall not be less than three nor more than fifteen excluding the special Directors and Debenture Directors, if any.

Number of Directors of the Company.

134A. The Board shall, subject to the provisions of the Act, be entitled to agree with any financial institution or any corporation that it shall have the right to appoint its nominee on the Board of Directors of the Company upon such terms and conditions as the Board of Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called "Special Directors" of the Company.

Special Directors

134B. Any trust deed securing and covering the issue of debentures or debenture stock of the Company may provide for the appointment of a Director (in these presents referred to as "Debenture Directors") for and on behalf of the debenture holders for such period as may therein be provided for not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such Debenture Director on a vacancy being caused whether by resignation, death, removal or otherwise for appointment of another Debenture Director in the vacant place. Any bond or any other writing giving security issued or executed by the Company in favour of creditor of the Company, may provide for the appointment of a Director (in these presents also referred to as "the Debenture Directors") for and on behalf of the holder of such bond or such creditor for such period therein provided for not exceeding the period for which the amount may be outstanding under such bond or writing or agreement and for the removal from office of such Director and on a casual vacancy being caused, whether by resignation, death, removal or otherwise, for the appointment of another Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or removed from office except as provided as aforesaid, and shall not be bond to hold qualification shares.

Debenture Directors.

134C (1) Notwithstanding anything 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 (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), Gujarat Industrial Investment Corporation Limited (GIIC), Gujarat State Financial Corporation (GSFC) and

Directors appointed by corporations, etc.

The State Industrial and Investment Corporation of Maharashtra Limited (SICOM) or to any other Finance Corporation or Credit Corporation or any other Financing Company or any Bank out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, GIIC, GSFC, SICOM and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body or any Bank is hereinafter in this Article referred to as “the Corporation”) continue to hold debentures in the Company by Direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscriptions or so long as any liability of the Company arising out of 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. Wholtime or non-whole-time, (which Director or Directors is/are herein-after 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 persons in his or their place/s.

(2) The Board of Directors of the Company shall have no power to remove from office the Nominee Directors/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. Subject as aforesaid, 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.

(3) 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 Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee 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 is 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 any Guarantee furnished by the Corporation.

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

receive all such notices and minutes.

(5) The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys, and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and 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 appointment 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 that if any such Nominee Director/s is an Officer of the Corporation, the 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.

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 powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a whole-time Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.”

(As amended by a Special Resolution passed at the Eleventh Annual General Meeting of the Company held on 27<sup>th</sup> December, 1985).

(Original clause before this amendment is as given in Annexure 2)

134D (1) Any collaboration arrangement between this Company and any collaborator, whether company, corporation, firm or person, for supply of technical advice, may provide that such company, corporation, firm or person (hereinafter referred to as “the Collaborator”) shall be entitled to appoint, from time to time any person as a Director of the Company and may agree that such Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however that such Director shall hold office so long as such collaboration arrangement remains in force, unless otherwise agreed upon between the Company and such Collaborator under the collaboration arrangement or at any time thereafter.

Directors appointed by collaborators.

(2) The Collaborator may at any time and from time to time remove any Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Director in his place and such appointment or removal shall

be made in writing signed by such company or corporation or any partner or any person authorized in this behalf and shall be delivered to the Company at its Registered Office.

(3) It is clarified that every Collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one Collaborator is so entitled, there may be at any time as many Directors appointed by the collaborator(s) eligible to make the appointment and such Director(s) so appointed shall cease to hold office on the termination of the collaboration agreement.

135. The provisions of Articles 134-A, 134-B, 134-C, 134-D and 164 are subject to the provisions of Section 255 of the Act and the number of such Directors appointed under Articles 134A, 134B, 134C, 134D and 164 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

Appointment of Alternate Director.

136. The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to “the Original Director” in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. Such Alternate Director shall not be required to hold any qualification shares so long as the Original Director holds the necessary qualification shares prescribed by the Articles.

Directors may fill up vacancies.

137. The Directors shall have power at any time and from time to time to appoint any qualified person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Additional Directors.

138. The Directors shall also have power at any time and from time to time to appoint any other qualified person to be a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next Annual General meeting but shall be eligible for re-election at such meeting.

Qualification of a Director.

139. A Director shall not be required to hold any share but nevertheless shall be entitled to attend, speak and preside at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.

140. 1) The remuneration of a Director for his services for attending a Board Meeting or a Committee constituted by the Board shall be such sum as may be fixed by the Board of Directors in accordance with the limits as may be prescribed by the Central Government from time to time.

Remuneration of Directors.

2) The Directors subject to the sanction of the Central Government (if any required) may be paid such further remuneration (if any) as the Company in General Meeting shall from time to time determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination shall be divided among the Directors equally.

(As amended by a Special resolution passed at the Fourteenth Annual General Meeting of the Company held on 10<sup>th</sup> December, 1988)

(The original clause before this amendment is given in Annexure 2)

141. Subject to the provisions of Section 198, 309, 310, 311 and 314 of the Act, if any Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any Committee formed by the Directors or in relation to signing share certificates) or to make any special exertion in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Company in General Meeting, and such remuneration may be either in addition to or substitution for his share in the remuneration above provided.

Extra remuneration to Director for special work.

142. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who shall come for purpose of attending a meeting of the Company or of the Board or a Committee of the Board, such sum as the Board may consider fair compensation for travelling, conveyance, hotel and other incidental expenses properly incurred by him in addition to his fee for attending such meeting as above specified.

Travelling expenses incurred by Director not a bonafide resident of place where a meeting is held.

(As amended by a special resolution passed at the Fourteenth Annual General Meeting of the Company held on 10<sup>th</sup> December, 1988).

(The Original clause before this amendment is given in Annexure 2)

143. Any amendment of any provisions relating to the remuneration of any Director including a Managing or Wholtime Director, which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, shall not have any effect unless approved by the Central Government and the amendment shall become void if, and so far as, it is disapproved by the Central Government.

No increase in remuneration of a Director without approval of Central Government.

PROVIDED THAT the approval of the Central Government shall be required where any such provision or any amendment thereof purports to increase, or has the effect of increasing the amount of such remuneration only by way of a fee for each meeting of the Board or Committee thereof attended by any such Director and the amount of such fee after such increase does not exceed Two Hundred and Fifty rupees.

Directors may act notwithstanding vacancy

144. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or of summoning a General Meeting of the Company, but for no other purpose.

Disqualification of Directors

145. A person shall not be capable of being appointed Director of the Company, if:

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudicated insolvent and his application is pending;
- (d) he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
- (e) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call; or
- (f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless leave of the Court has been obtained for his appointment in pursuance of that section.
- (g) he is Director of a public company, which has failed to file the annual accounts and annual returns for any continuous period of three financial years or has failed to repay its deposits or interest or redeem debentures on due dates or pay dividend, and such failure continues for one year or more or for a period of five years from the date of such default.

(Clause (g) as inserted by a special resolution passed at the 30<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> August 2004)

Vacation of Office Directors

146. (1) The Office of a Director shall become vacant:

- (a) he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act or at any time thereafter ceases to hold the share qualification, if any, required of him by these presents, or
- (b) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (c) he applies to be adjudged an insolvent; or
- (d) he is adjudged an insolvent; or

(e) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or

(f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date for the payment of the call; or unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure; or

(g) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or

(h) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or

(i) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or

(j) he becomes disqualified by an Order of the Court under Section 203 of the Act; or

(k) he is removed by an ordinary resolution of the Company before the expiry of his period of office; or

(l) if by notice in writing to the Company, he resigns his office; or

(m) having been appointed a Director virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

(2) Notwithstanding anything contained in sub-clauses (d), (e) and (j) of clause (1) hereof, the disqualification referred to in those clauses shall not take effect:-

(a) for thirty days from the date of adjudication, sentence or order;

(b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which

such appeal or petition is disposed of; or

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

Directors may  
contract with  
Company.

147. Subject to compliance with the provisions of Sections 297, 299, 300 and 314 of the Act and save as therein provided 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, agent, broker or otherwise nor shall such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in anywise interested be avoided nor shall any Director be liable to account to the Company for any profit arising from any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established.

Disclosure of  
Director's interest

148. (1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into, or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors.

(2) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he be so concerned or interested.

(b) In case of any other contract or arrangement the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) (a) For the purpose of clauses (1) and (2), a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would otherwise expire.

(c) No such general notice, and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or two or more of Directors together holds or hold not more than two percent of the paid up share capital in the other company.

149. (1) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative, is a partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company:-

Board resolution necessary for certain contracts.

(a) for the sale, purchase or supply of any goods, material or services; or

(b) for underwriting the subscription of any shares in or debentures of the Company

(2) Nothing contained in sub-clause (a) of clause 91) shall effect :

(a) the purchase of goods and material from the Company or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other, for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be regularly trades or does business;

PROVIDED that such contract or contracts do not relate to goods and materials, the value of which or services, the cost of which exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts; or

(3) Notwithstanding anything contained in clauses (1) and (2), a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board into any contract with the Company for the sale, purchase or supply of any

goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract, but in such a case the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.

(4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise and the consent of the Board required under clause (1) shall not be deemed to have given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

(5) If the consent is not accorded to any contract under this Article, anything done in pursuance of the contract shall be voidable at the option of the board.

150. Where the Company –

Disclosures to members of Director's interest in contract in appointing Manager, Managing Director or Whole-time Director.

(a) enters into a contract for the appointment of a Manager or a Managing Director or a Wholetime Director of the Company in which contract, any Director of the Company is in any way whether directly or indirectly concerned or interested, or

(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid; the provisions of Section 302 of the Act shall be complied with.

Holding of office of profit by Directors etc.

151. (1) Except with the consent of the Company accorded by a Special Resolution as required under Section 314 of the Act:-

(a) No Director of the Company shall hold any office or place of profit, and

(b) No partner or relative of such a Director, no firm in which such a Director or a relative is a partner, no private company of which such Director is a Director or a member and no Director or manager of such private company shall hold any office or place of profit carrying a total monthly remuneration of Rs.500/- or more except that of Managing Director, manager, legal or technical adviser, banker or trustee for the holders of the debentures of the Company;

(i) under the Company, or

(ii) under any subsidiary of the Company unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding company.

PROVIDED that it shall be sufficient if the special resolution according sanction of the Company is passed at that General Meeting of the Company held for the first time after the holding of such office or place of profit;

PROVIDED FURTHER that where a relative of a Director or firm in which such relative is a partner is appointed to the office or place of profit in the Company or in a subsidiary thereof, without the knowledge of the Director, the consent of the Company may be obtained either in the General Meeting aforesaid or within three months from the date of the appointment, whichever is later.

(2) Nothing in clause (1) shall apply where a relative of a Director or a firm in which such relative is a partner, holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes the Director of the Company.

(3) If any office or place of profit is held in contravention of the provisions of clause (1), the Director, partner, relative, firm, private company or the manager concerned shall be deemed to have vacated his or its office as such on and from the date next following the date of the General Meeting of the Company referred to in the first proviso thereof or, as the case may be, the date of the expiry of the period of three months referred to in the second proviso to that clause and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.

(4) Every individual, firm, private company or other body corporate proposed to be appointed to any office or place of profit to which this article applies, shall, before or at the time of such appointment, declare in writing whether he or it is not connected with any Director of the company in any of the ways referred to in clause (1).

(5) Any office or place shall be deemed to be an office or place of profit under the Company within the meaning of clause (1) hereof:

(a) in case the office or place is held by a Director, if the Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise;

(b) in case the office or place is held by an individual other than a Director or by any firm, private company or other body corporate, if the individual, firm,

private company or body corporate holding it obtains from the Company anything by way of remuneration whether as salary fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.

Loan to Directors etc.,  
etc.,

152. Without obtaining the previous approval of the Central Government in that behalf, as required under Section 295 of the Act, the Company shall not directly or indirectly make any loan to or give any guarantee or provide any security in connection with a loan made by any other person to, or to any other person by-

(a) any Director of the Company or any partner or relative of any such Director;

(b) any firm in which any such Director or relative is a partner;

(c) any private Company of which any such Directors is a director or member;

(d) anybody corporate at a general meeting of which not less than twenty-five percent of the total voting power may be exercised or controlled by any such Director, or by two or more such Directors together; or

(e) anybody corporate, the Board of Directors, Managing Director or Manager whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any Director or Directors of the Company.

Interested Director not  
to participate in  
Board's proceedings.

153. No Director of the Company shall as a Director take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void. Provided that the Board of Directors or any of its members may vote on any contract of indemnity against any loss which it or any one or more of its members may suffer by reason of becoming or being sureties or surety for the Company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the director aforesaid consists solely-

(i) in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for the appointment as a Director thereof, he having been nominated as such Director by the Company referred to in sub-clause (1) of this Article; or

(ii) in his being a member holding not more than two percent of its paid up capital.

154. (1) The company shall keep one or more Registers in which shall be entered separate particulars of all contracts and arrangements to which Section 297 or Section 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely:-

Register of contracts in which Directors are interested.

- (a) the date of the contract or arrangement;
- (b) the names of the parties thereto;
- (c) the principal terms and conditions thereof;
- (d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract to which sub-section (2) of Section 299 of the Act applies, the date on which it was placed before the Board;
- (e) the names of the Directors voting for and against the contract or arrangements and the names of those remaining neutral.

(2) Particulars of every such contract or arrangement to which Section 297 of the Act or as the case may be sub-section (2) of Section 299 applies shall be entered in the relevant register aforesaid;

- (a) In the case of a contract or arrangement requiring the Board's approval within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangements is approved.
- (b) In the case of any other contract or arrangement within seven days of the receipt at the Registered Office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement whichever is later.

And the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.

(3) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.

(4) Nothing in clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of such services does not exceed Rupees one thousand in the aggregate in any year.

Directors may be  
Directors of  
Companies promoted  
by the Company

155. A Director may be or become a Director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such company except in so far as Section 309(6) or Section 314 of the Act may be applicable.

Retirement and  
rotation of Directors.

156. At every Annual General Meeting of the Company, one-third of such of the Directors for the time being are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

Ascertainment of  
Directors retiring by  
rotation and filling up  
of vacancies.

157. Subject of Section 284 (5) to the Act, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

Eligibility for re-  
election

158. A retiring Director shall be eligible for re-election.

Company to appoint  
successors.

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

Provisions in default  
of appointment.

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

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless-

(i) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or

(v) the provision to sub-section (2) of Section 263 of the Act is applicable to the case.

161. Subject to the provisions of Section 202, 255 and 259 of the Act the Company may, by ordinary resolutions, from time to time, increase or reduce the number of Directors, and may alter their qualification and the Company may, (subject to the provisions of Section 284 of the Act) remove any director before the expiration of his period of office and appoint another suitable and competent person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

Company may increase or reduce the number of Directors or remove any Director.

162. (1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

Appointment of Directors to be voted individually.

(2) A resolution moved in contravention of clause (1) hereof shall be void whether or not objection was taken at the time of its being so moved, provided that where a resolution so moved is passed, no provision for the automatic reappointment of retiring Directors in default of another appointment as hereinbefore provided shall apply.

(3) For the purpose of this clause, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

163. (1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless he or some other member intending to propose him has, at least fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a Director for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member if the person succeeds in getting elected as a Director.  
(As amended by a special resolution passed at the Fourteenth Annual General Meeting of the Company held on 10<sup>th</sup> December, 1988).

Notice of candidate for office of Directors except in certain cases.

(The Original clause before this amendment is given in Annexure 2)

(2) The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting.

Provided that it shall not be necessary for the Company to serve individual notice upon the members as aforesaid, if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located of which one is published in the English language and the other in the regional language of that place.

(3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.

(4) A person other than –

(a) a Director reappointed after retirement by rotation immediately on the expiry of his term of office, or

(b) an additional or alternate director or a person, filling a casual vacancy in the office under Section 262 of the Act, appointed as a director or re-appointed as an additional or alternate director immediately on the expiry of his term of office, shall not act as a director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act such Director.

### **MANAGING / WHOLETIME DIRECTORS**

Power to appoint Managing or Wholetime Director.

164A (1) Subject to the provisions of Sections 197 A, 267, 269, 316 and 317 of the Companies Act, 1956, the Company in general meeting or the directors may, from time to time, appoint one or more Directors to be Managing or Whole-time Director or Directors of the Company for such term not exceeding five years at a time, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from such office as Managing or Wholetime Director and appoint another or others in his place or place.

To what provisions Managing or Wholetime Directors shall be subject.

(2) Subject to the provisions of Section 255 of the Companies Act, 1956, Managing or Wholetime Director shall not, while he continues to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors and he shall ipso facto and immediately cease to be a Managing or Wholetime Director if he ceases to hold the office of Director for any reason whatsoever.

Remuneration of Managing or Wholetime Directors.

(3) Subject to the provisions of Section 198, 309 and 314 of the Companies Act, 1956, a Managing or Wholetime Director shall receive such remuneration as may from time to time be fixed by the Directors subject to the approval of the Company in General Meeting.

Powers of Managing or Wholetime Directors.

(4) Subject to the provisions of Companies Act, 1956 and in particular to the prohibitions and restrictions contained in Section 292 thereof, the Directors may from time to time, entrust to and confer upon a Managing or Wholetime Director for the time being such of the powers exercisable under

these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as the Directors think fit and the Directors may from time to time revoke, withdraw, alter or vary all or any of such powers.

165. The Company shall not appoint or employ any person as Managing Director if he is either the Managing Director or the Manager of any other Company except, as hereinafter provided. The Chairman may appoint or employ a person as its Managing Director, if he is the Managing Director or Manager of one and of not more than one other Company (including a private Company which is not a subsidiary of a public company). Provided that such appointment or employment is made or approved by a resolution passed at a meeting of the Board of Directors with the consent of all the Directors present at the meeting and of which meeting and of the resolution to be moved thereat, specified notice has been given to all the Directors then in India.

Restriction on appointment of Managing Directors

166. The appointment of a person for the first time as a Managing or Wholetime Directors shall not have any effect unless approved by the Central Government.

Appointment of Managing or wholetime Director require Government approval.

167. The Company shall not appoint or employ or continue the appointment or employment of any person as its Managing or Wholetime Director who (a) is an undischarged insolvent or has at any time been adjudged as insolvent (b) suspends or has at any time suspended, payment to his creditors, or makes or has at any time made a composition with them or (c) has at any time been convicted by a Court of an offence involving moral turpitude.

Disqualification of Managing / Wholetime Director.

168. No Managing or Wholetime Director shall be appointed for a term exceeding five years at a time but he may be re-appointed, re-employed or his term of office may be extended by further periods not exceeding five years on each occasion. Provided that such re-appointment, re-employment or extension shall not be sanctioned earlier than two years from the date from which it is to come into force.

Managing/Wholetime Directors not to be appointed exceeding five years at time.

169. (a) The Company shall keep at its Registered Office a register containing the particulars of its Directors and other persons mentioned in Section 303 of the Act and shall send to the Registrar a return containing the particulars specified in such register, and shall otherwise comply with the provisions of the said section in all respects.

Register of Directors etc. and notification of change to Registrar.

(b) The Company shall keep at its Registered office a Register showing as respect each Director of the Company the number, description and amount of any shares in or debentures of the Company or any other body corporate being the Company's subsidiary or holding company or a subsidiary

Register of Director's shareholding.

of the company's, holding Company which are held by him or in trust for him or of which he has any right to become the holder whether on payment or not, as required by Section 307 of the Act. Such Register shall be kept open for inspection by any member or debenture-holder of the Company as required by Section 307(5) of the Act.

Disclosure by Director of appointment to any other body corporate.

170. (a) Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to Section 303 of the Act) or Secretary of the Company who is appointed to or relinquishes the office of Director or Managing Director or Wholetime Director or Manager or Secretary of any other body corporate, shall within twenty days of his appointment to, or as case may be, relinquishment of, such office, disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

Disclosure by a Director of his holdings of shares and Debentures of the Company etc.

(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

## **POWERS OF DIRECTORS**

Powers of Directors.

171. The Board of Directors of the Company may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum of Association of the Company or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Act, or any other Act and to such regulation (being not inconsistent with the aforesaid regulations or provisions) as may be prescribed 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. Provided that the Board of Directors shall not, except with the consent of the Company in General Meeting :

(a) sell, lease or otherwise dispose of the whole or sub-substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;

(b) remit, or give time for the repayment of any debt due by a Director.

(c) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys, where the moneys to be borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will 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, or

(e) contribute to charitable and other funds not directly relating to the business of the Company, or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty five thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Every resolution passed by the Company in General Meeting in relation to the exercise of the powers referred to in sub-clause (d) or sub-clause (e) shall specify the total amount upto which the moneys may be borrowed by the Board of Directors under sub-clause (d) or as the case may be contributed to charitable and other funds in any financial year under sub-clause (e).

172. (1) Without derogating from the powers vested in the Board of Directors under these Articles and subject to the restrictions and conditions if any imposed by the Company in General meeting, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meetings of the Board :

Certain powers to be exercised by the Board.

- (a) The power to make calls on shareholders in respect of money unpaid on their shares.
- (b) The power to issue debentures.
- (c) The power to borrow moneys otherwise than on debentures.
- (d) The power to invest the funds of the Company; and
- (e) The powers to make loans

Provided that the Board may by a resolution passed at a meeting delegate to any Committee of Directors, the Managing Director, whole-time Director or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office the powers speci-

fied in sub-clauses (c), (d) and (e) to the extent specified in clauses (2), (3) and (4) respectively on such conditions as the Board may prescribe.

(2) Every resolution delegating the power referred to in sub-clause (c) of clause (1) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.

(3) Every resolution delegating the power referred to in sub-clause (d) of clause (1) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegate.

(4) Every resolution delegating the power referred to in such-clause (e) of clause (1) shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

Powers of Director in particular.

173. Without prejudice to the powers herein conferred and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding two Articles, it is hereby declared that the Directors shall have the following powers, that is to say power :

(1) To pay all costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company,

(2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Section 76 and 208 of the Act,

(3) Subject to the provisions of the Act and these Articles, to sell or purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorized to acquire, at or for such prices or consideration and generally on such terms and conditions as they think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory,

(4) At their discretion and subject to the provisions of the Act, to pay for any property or rights acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures, debentures-stock 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, debenture-stock or other securities as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged,

(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power,

(6) To open accounts with any bank or bankers or with any company, firm or individual and to pay money into and draw money from any such account from time to time as the Directors may think fit,

(7) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit,

(8) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit,

(9) 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, so far as may be permissible by law,

(10) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such acts and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees,

(11) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company,

(12) To refer any claim or demand by or against the Company or any differences to arbitration and observe and perform any awards made thereon,

(13) To act on behalf of the Company in all matters relating to bankrupts and insolvents,

(14) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company,

(15) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes,

(16) Subject to the provisions of the Act and these Articles to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such security and other investments (not being shares of the Company), or without security and in such manner as they may think fit, and from time to time to vary or release such investments, provided that save as permitted by Section 49 of the Act, all investments shall be made and held in the Company's own name,

(17) 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 whether as principal or as surety 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 other powers, covenants, provisions and agreements as shall be agreed on,

(18) To provide for the welfare of employees or ex-employees of the Company and the wives, widows and families or the dependents or connections of such person by building or contribution to the building of houses, dwellings or quarters or by grants of money, pensions, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Directors shall think fit, and to subscribe or contribute or otherwise to assist, support, endow or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions, societies, clubs, funds or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise,

(19) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation, to a Depreciation Fund, General Reserve, Reserve Fund, Sinking Fund or any special or other fund or funds or account or accounts to meet contingencies, to repay redeemable preference

shares debentures, or debenture-stock and for special dividends, and for equalizing dividends, and for repairing, improving, extending and maintaining any part of the property of the Company and/or for such other purposes (including the purposes referred to in the preceding clause) as the Directors may, in their absolute discretion think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments, (subject to the restrictions imposed by the Act) as the Directors may think fit, and from time to time to deal with any vary such investment and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to decide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds or accounts, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of redeemable preference shares, debentures, or to keep the same separate from the other assets, and without being bound to pay or allow interest on the same, with power however to the Directors at their discretion to pay or allow to the credit of such fund interests at such rates as the Directors may think proper, not exceeding 9 per cent per annum.

(20) Without thereby prejudicing the appointment of a Managing Director or a Wholetime Director and the position, rights and powers of such Managing Director or Managing Director or Wholetime Director or Wholetime Directors by virtue of Articles 164 to 168 (inclusive) and by virtue of any agreement entered into between any of them and the Company, to appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit. And also without prejudice as aforesaid, from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit,

(21) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with,

(22) Subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purposes of the

Company, enter into all such negotiation and contracts, 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 purposes of the Company

### **PROCEEDINGS OF THE BOARD OF DIRECTORS**

Meeting of Directors

174. A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.

Notice of Meeting.

175. (1) Notice of every meeting of the Board of Directors shall be given in writing to every Director for the time being in India, and at his usual address in India to every other director.

When meeting to be convened.

(2) A Director may at any time and the Secretary upon the request of a Director shall convene meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his address in India to every other Director.

Quorum.

176. (a) Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher.

Provided where at any time the number of interested Directors at any meeting exceeds or is equal to two-thirds of the total strength, the number of the remaining Director, 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.

(b) For the purpose of clause (a) –

(i) “Total Strength” means the total strength of the Board of Directors of the Company and determined in pursuance of the Act, after deducting therefrom the number of the Directors, if any whose places may be vacant at the time; and

(ii) “Interested Directors” means any Director whose presence cannot, by reason of Article 148 hereof or any other provisions in the Act count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

Procedure when meeting adjourned for want of Quorum.

177. If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is public holiday till the next succeeding day which is not a public holiday, at the same time and place.

178. The Board can appoint or reappoint an individual as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time and determine the period for which he shall retain office as such. All meetings of the Directors shall be presided over by the Chairperson, if present, but if at any meeting of the Directors, the Chairperson be not present within five minutes after the time appointed for holding the same then, the Directors present at the meeting shall choose one of them, then present to be the Chairperson of the meeting.

(As inserted by special resolution assented on 24<sup>th</sup> March, 2015, through the postal ballot voting process)

(Original clause before this amendment is given in Annexure 2 on page no.88)..

Chairman of the Board of Directors.

179. Questions arising at any meeting shall be decided by majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.

Questions at Board meetings how decided.

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

Powers of Board Meeting.

181. The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act and of these Articles delegate any of their powers, other than the powers to borrow and make calls, to Committees of the Board consisting of such member or members of its body it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board, either wholly or in part, and either as to person or purposes; but every Committee of the Board so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board.

Directors may appoint Committees.

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

Committee meetings how to be governed.

183. The Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board and may pay the same.

Remuneration of Members of Committee.

184. (1) A resolution passed by circular, without a meeting of the Board or a Committee of the Board appointed under Article 181 shall subject to the provisions of sub-clause (2) hereof and the Act be as valid and effectual as a resolution duly passed at a meeting of the Directors or of a Committee duly called and held.

Resolution by circular.

(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual address in India and has been approved by such of the Directors or members of the Committee as are in India or by a majority of such of them as are entitled to vote on the resolution.

Acts of Board or  
Committee valid  
notwithstanding defect in  
appointment.

185. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or that the appointment of any of them was deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

## MINUTES

Minutes to be made.

186. (1) The Company shall cause minutes of all proceedings of General Meetings and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purposes with their pages consecutively numbered.

(2) Each page of every such books shall be initialed or signed and the last page of the proceedings of such meetings in such book shall be dated and signed.

(a) in the case of minutes of proceeding of meeting of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting;

(b) in the case of minutes of proceedings of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall contain;

(a) the names of the Directors present at the meeting;

(b) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.

(7) Nothing contained in clause (1) to (4) hereof, shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting.

(a) is or could reasonably be regarded as defamatory of any person;

(b) is irrelevant or immaterial of the proceedings; or

(c) is detrimental to the interests of the Company. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

187. The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

Minutes to be considered evidence.

188. Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held and all proceedings thereat to have been duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.

Presumptions to be drawn where minutes duly drawn and signed.

189. (1) The books containing the minutes of the proceedings of any General meeting of the Company shall be kept at the Registered Office of the Company and shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 196 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.

Inspection of Minute Books of General Meetings.

(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of

thirty seven Paise for every hundred words or fractional part thereof required to be copied.

Publication or report of proceeding of General Meeting.

190. No document purporting to be a report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

## LOCAL MANAGEMENT

Management

191. The following provisions shall have effect :

(1) The Directors may from time to time provide for management of the affairs of the Company abroad or in any special locality in India or in any part of the world in such manner as they shall think fit and the provisions contained in the six next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

Local Board.

(2) The Directors from time to time and at any time establish any local board or agencies for managing any of the affairs of the Company abroad or in any specified locality in India or any other part of the world, and may appoint any persons to be members of such local board, or any managers, or agents and may fix their remuneration.

Delegation.

(3) Subject to Section 292 of the Act, the Directors from time to time, and at any time, may delegate to any person so appointed, any of the powers, authorities and discretions for the time being vested in the Directors other than the power to make calls or to make loans or borrow moneys and may authorize the members for the time being of any such local board, or any of them, to fill up any vacancies therein, and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed and may annual or vary any such delegation.

Power of Attorney.

(4) Subject to Section 292 of the Act, the Directors may at any time and from time to time by power of attorney under the Seal, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents and excluding the powers which may be exercised only by the Board of Directors under the Act or these Articles), and for such period and subject to such conditions, as the Directors may from time to time think fit; and any such appointment may (if the Directors think fit) be made in favour of the members or any of the members of any local board established as aforesaid, or in favour of any company, or of the members, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated

directly or indirectly by the Directors; and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such provisions and for the protection or convenience of person dealing with such attorneys as the directors think fit.

(5) Any such delegates or attorneys as aforesaid may be authorized by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

Sub-delegations.

(6) The Company may exercise the power conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors, and the company may cause to be kept in any State or countries outside India a branch register of members. Subject to the provisions of Section 157 of the Act the Directors may from time to time make such provisions as they may think fit respecting the keeping of such branch register.

Seals abroad and branch registers.

## **THE SEAL**

192. The Board of Directors shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being, under such regulations as the Board may prescribe and the Seal shall never be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board, previously given and in the presence of at least one Director of the company.

The Seal its custody and use.

193. Every deed or other instrument to which the Seal of the Company is required to be affixed shall be signed by one Director and countersigned by the Secretary or some other officer appointed by the Board in that behalf, provided such counter signature shall not be necessary if the instrument is in favour of a Director or the Secretary or in case a Director or the Secretary is a party thereto; Provided nevertheless that certificates of shares and debentures shall be signed in the same manner as the certificates of shares are required to be signed in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and their statutory modifications for the time being in force.

Deeds how executed.

## **DIVIDEND**

194. The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these presents and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up on the shares by them respectively.

Division of profits.

The Company in General Meeting may declare dividends.

195. The Company in General Meeting may declare dividends to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Sections 207 of the Act; but no dividends shall exceed the amount recommended by the Board of Directors.

Dividend out of profits only and not to carry interest.

196. (1) No dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a guarantee given by that Government, PROVIDED that :

(a) if the Company has not provided for depreciation for any previous financial year or years which falls or fall after 28<sup>th</sup> December 1960, it shall before declaring or paying dividend for any financial year provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;

(b) if the Company has incurred any loss, in any previous financial year or years, which falls or fall after 28<sup>th</sup> December 1960, then the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set-off against the profits of the Company for the year for which dividend is proposed to be declared or paid or against the profits of the company for previous financial year or years, arrived at in both cases after providing for depreciation in accordance with the provisions of clause (2) or against both;

Provided further that if shall not be necessary for the Company to provide for depreciation as aforesaid where dividend for any financial year is declared or paid out of profits of any previous financial year or years which falls or fall before 28<sup>th</sup> December 1960.

(2) The depreciation shall be provided either

(a) to the extent specified in section 350 of the Act; or

(b) in respect of each item of depreciable assets, for such an amount as is arrived at by dividing 95% of the original cost thereof to the Company by the specified period in respect of such asset; or

(c) on any other basis approved by the Central Government which has the effect of writing off by way of depreciation 95% of the original cost to the Company of its such depreciable asset on the expiry of the specified period; or

(d) as regards any other depreciable asset for which no rate of depreciation has been laid down by the Indian Income Tax Act, 1961, or the rules made thereunder on such basis as may be approved by the Central Government by any general order published in the official Gazette or by any special order in the case of the Company.

Provided that where depreciation is provided for in the manner laid down in clause (b) or clause (c) then in the event of the depreciable asset being sold, discarded, demolished or destroyed, the written down value thereof at the end of the financial year in which the asset is sold, discarded, demolished or destroyed shall be written off in accordance with the proviso to Section 350 of the Act.

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

(4) Nothing in this Article shall be deemed to affect in any manner the operation of Section 209 of the Act.

(5) For the purpose of this Article :

“Specified period” in respect of any depreciable asset shall mean the number of years at the end of which at least 95% of the original cost of that asset to the Company will have been provided for by way of depreciation, if depreciation were to be calculated in accordance with the provisions of Section 350 of the Act.

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

What is to be deemed net profits.

198. The Board of Directors may from time to time, pay to the members interim dividends as in their judgment the position of the Company justifies.

Interim Dividend

199. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Debts may be deducted.

200. Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

Capital paid up in advance at interest not to earn dividend.

201. All dividends shall be apportioned and paid proportionately to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing

Dividends in proportions to amount paid up.

that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Retention of dividends until completion of transfer under Article 70.

202. The Board of Directors may retain the dividend payable upon shares in respect of which any person is under Article 70 entitled to become a member, or which any person under the Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.

No member to receive dividend whilst indebted to the Company and Company's right to reimbursement thereout.

203. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.

Transfer of shares must be registered.

204. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividend to joint-holders.

205. Any one of several persons who is registered as joint-holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

Dividends how remitted.

206. The dividend payable in cash may be paid by cheque or warrant sent through post direct to the registered address of the shareholder entitled to the payment of the dividend or in case of joint shareholders to the registered address of that one of the joint-holders which is first named on the Register of Members or to such person and to such address as the holder or the Joint-holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrants lost in transmission or for any dividend lost to the member or person entitled thereto by forged endorsement of any cheque or warrant or the fraudulent recovery of dividend by any other means.

Notice of dividend.

207. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of shares in the manner herein provided.

Dividend to be paid within forty two days.

208. The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within fortytwo days from the date of the declaration of the dividend unless :

(a) where the dividend could not be paid by reason of the operation of any law :

(b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;

(c ) where there is dispute regarding the right to receive the dividend;

(d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder; or

(e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

209. Dividends unclaimed for one year after having been declared may be invested or otherwise used by the Board of Directors for the benefit of the Company until claimed. No unclaimed dividend shall be forfeited before the claim thereto becomes barred by law. Unclaimed dividend.

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

211. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve : Capitalisation

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve account, or to the credit of the profit and loss account or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.

(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards :

(i) paying up any amounts for the time being unpaid or any shares held by such members respectively.

(ii) paying up in full, unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

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

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

Fractional Certificate.

212. (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 and all allotments and issues of fully paid shares and debentures, if any; and

(b) generally do all acts and things required to give effect thereto.

(2) The Board shall have full power :

(a) to make such provisions, by the issue of fractional certificate or by payment in cash or otherwise as it thinks fit, in case of shares or debentures becoming distributable in fractions, and also

(b) to authorize 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 full paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportion of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.

## **BOOKS AND DOCUMENTS**

Books to be kept by the Company.

213. (1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of the affairs of the Company or its branch office as the case may be and to explain its transactions with respect to :

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company. Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of (1), if proper books of account relating to the transactions effected at the branch are kept at the office

and proper summarized returns made upto date at intervals of not more than three months are sent by the branch office to the Company at its Registered office or the other place referred to in clause (1).

(3) The books of account and other books and papers shall be open to inspection by any Director during business hours.

214. (a) The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors.

Inspection by members.

(b) 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 law authorized by the Board or the Company in General Meeting.

### **ACCOUNTS AND BALANCE SHEETS**

215. The Board of Directors shall from time to time in accordance with Section 210, 212 and 217 of the Act cause to be prepared and laid before each Annual General Meeting, a Profit and Loss Account for the Financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

Statement of accounts to be furnished to General Meeting

216. (1) Every Balance Sheet of the Company shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall subject to the provisions of Section 211 of the Act, be in the Form set out in part I of Schedule VI to the Act or as near thereto as circumstances admit or in such other Form as may be approved by the Central Government either generally or in case of the Company and in preparing the Balance Sheet due regard shall be had as far as may be to the general instructions for preparation of Balance Sheet under the heading 'Notes' at the end of that part.

Form and Contents of Balance Sheet and Profit and Loss Account.

(2) Every Profit and Loss Account of the Company shall give a true and fair view of the profit or loss of the Company for the financial year and shall comply with the requirements of Part II of Schedule VI to the Act, so far as they are applicable thereto.

217. (1) Every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Directors by a Managing Director (if any) or Secretary, if any, and by not less than two Directors of the Company one of whom shall be the Managing Director, if there be one, provided that if there is only

Balance Sheet and Profit and Loss Account.

one Director present in India at the time, the Profit and Loss Account and Balance Sheet shall be signed by such Director but in such a case there shall be subjoined to the Profit and Loss Account and Balance Sheet, a statement signed by such Director explaining the reason for non-compliance with the aforesaid provisions requiring the signature of two Directors.

(2) The Balance Sheet and the Profit and Loss Account shall be approved by the Directors before they are signed on their behalf and before they are submitted to the auditors for their report thereon.

(3) The Profit and Loss Account shall be annexed to the Balance Sheet and Auditor's Report (including the Auditors' separate special or supplementary report if any) shall be attached thereto.

Directors' Report

218. (1) There shall be attached to every Balance Sheet laid before the Company in General Meeting, a report by its Directors with respect to:

(i) the state of the Company's affairs;

(ii) the amounts, if any, which they propose to carry to any reserves either in such Balance Sheet or in a sub-sequent Balance Sheet;

(iii) the amount, if any, which they recommend should be paid by way of dividend; and

(iv) the material charges and commitment, 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 Directors' Report shall, so far as is material for the appreciation of the state of the Company's affairs by its members and will not in the Directors' opinion be harmful to the business of the Company or of any of its subsidiaries, if any, deal with any changes which have occurred during the financial year:

(a) in the nature of the Company's business.

(b) in the Company's subsidiaries, if any, or in the nature of the business carried on by them, and

(c) generally in the classes of business in which the Company has an interest.

(3) The Directors shall give the fullest information and explanation in the report aforesaid or in case falling under the proviso to Section 222 of the Act, in an addendum to the report on every reservation, qualification or adverse remark contained in the Auditors' Report.

(4) The Directors' Report and any addendum thereto shall be signed by the Chairman if he is authorized in that behalf by the Directors and where he is not so authorized, shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of clauses (1) and (2) of the preceding Article.

219. (1) A copy of every Balance Sheet (including the Profit and Loss account, the Auditors' Report and every other document required by law to be annexed or attached as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting shall not less than twentyone days before the date of the meeting to be sent to every member of the Company, to every holder of debentures, if any, issued by the Company (not being debentures which ex-facie are payable to the bearer thereof), to every trustee for the holders of any debentures issued by the Company (whether such member, holder or trustee is or is not entitled to notice of General Meetings of the Company sent to him) and to all persons other than such members, holders or trustees, being persons so entitled, provided that it shall not be necessary to send copies of the documents aforesaid :

Right of member to copies of Balance Sheet and Auditors's Report.

- (i) to a member or holder of debentures of the company, who is not entitled to have notices of General Meetings of the Company sent to him and of whose address the Company is unaware,
- (ii) to more than one of the joint holders of any shares or debentures none of whom is entitled to have such notices sent to him;
- (iii) in the case of joint holders of any shares or debentures some of whom are and some of whom are not entitled to have such notices sent to them, to those who are not so entitled.

PROVIDED that if the copies of the documents aforesaid are sent less than twenty one days before the date of the meeting, they shall notwithstanding that fact, be deemed to have been duly sent, if it is agreed by all members entitled to vote at the meeting.

(2) Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Balance Sheet sent to him, shall, on demand be entitled to be furnished without charge, and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand accompanied by the payment of a fee of one rupee, be entitled to be furnished, with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto, including the profit and loss account and the Auditors' Report.

Three copies of Balance Sheet etc., to be filed with Registrar.

220. (1) The Company shall, within thirty days from the date on which Balance Sheet and Profit and Loss Account shall have been laid before the Annual General meeting file with the Registrar of Companies, three copies of the Balance Sheet and the Profit and Loss Account signed by the Managing Director (if any) or Secretary of the Company or if there be none of these, by a Director of the Company together with three copies of all documents which are required by the Act to be annexed or attached to such Balance Sheet or Profit and Loss Account.

(2) If any Annual General Meeting of the Company before which a Balance Sheet is laid as aforesaid does not adopt the Balance Sheet, statement of that fact and of the reasons therefore shall be annexed to the Balance Sheet and to the copies thereof required to be filed with the Registrar of Companies.

## AUDIT

Accounts to be audited.

221. Once at least in every year the accounts of the Company shall be balanced and audited and the correctness of the profit and loss account and balance sheet ascertained by one or more Auditor or Auditors.

Appointment of Auditors.

222. (1) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.

(2) At any Annual General Meeting, a retiring Auditor by whatsoever authority appointed, shall be reappointed unless :

(a) he is not qualified for reappointment;

(b) he has given the Company notice in writing of his unwillingness to be reappointed;

(c) a Resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed; or

(d) where notice has been given of an intended Resolution to appoint some person or persons in the place of a 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.

(3) Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.

(4) The Company shall, within seven days of the Central Government's power under sub-clause (3), becoming exercisable, give notice of that fact to that Government.

(5) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act, but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(6) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General meeting, unless special notice of a Resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and all the other provisions of Section 225 of the Act, shall apply in the matter. The provisions of this sub-clause shall also apply to a Resolution that a retiring Auditor shall not be re-appointed.

(7) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

Qualification and dis-qualification of Auditors.

(8) None of the persons mentioned in Section 226 of the Act not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

223. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company.

Audit of Branch Offices.

224. The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

Remuneration of Auditors.

(1) Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the company wherever kept and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditors.

(2) The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in General Meeting during his tenure of office and the report shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view :

(i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year, and

(ii) in the case of the Profit and Loss Account, of the profit or loss for its financial year.

(3) The Auditor's Report shall also state :

(a) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;

(b) whether, in his opinion, proper books of accounts as required by law have been kept by the Company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from the branches not visited by him;

(c) whether the Report on the accounts of any branch office audited under Section 228 of the Act by a person other than the Company's Auditor has been forwarded to him as required by clause (c) of sub-section (3) thereof and how he has dealt with the same in preparing the Auditors' Report.

(d) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account and returns.

(4) Where any of the matters referred to in sub-clauses (a), (b), (c) and (d) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for the answer.

Accounts when audited and approved to be conclusive except as to errors discovered within three months.

225. Every account when audited and approved by a General Meeting 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 account shall forthwith be corrected, and thenceforth shall be conclusive

## NOTICES

Service of documents on members by the Company.

226. (1) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him at 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 giving of notices to him.

(2) Where a document or notice is sent by post :

(a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by Registered Post with or without

acknowledgement due, has deposited with the Company a sum sufficient to defray the expenses of doing so, service of sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) such service shall be deemed to have been effected;

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

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

(3) A document or notice advertised in a newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.

(4) A document or notice may be served by the Company on the joint holders of a share by serving it on the joint-holders named first in the Register in respect of the share.

(5) A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter, addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any in India supplied for the purposes by the persons claiming to be so entitled or until such an address has been so supplied, by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.

(6) The signature to any document or notice to be given by the Company, may be written or printed or lithographed.

227. 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 a certificate of posting or by registered post or by leaving it at its Registered Office.

Service of documents on Company.

228. A document may be served on the Registrar of Companies by sending it to him at his office by post under a certificate of posting or by registered post or by delivering it to or leaving it for him at his office.

Service of documents on the Registrar.

229. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director or the Secretary or other authorized officer of the Company, who may be authorized by the Board, and need not be under the Common Seal of the Company.

Authentication of documents and proceedings.

## REGISTERS AND DOCUMENTS

Registers and documents to be maintained by the Company.

230. The Company shall keep and maintain the following Registers :

(1) Register of Investments made by the Company but not held in its own name as required by Section 49 (7) of the Act and shall keep it open for inspection of any member or debenture holder of the Company without charge.

(2) Register of Mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge and shall keep them open for inspection of any creditor or member of Company without fee and to the inspection of any person on payment of a fee of Re.1/- for each inspection.

(3) Register and Index of Members as required by Section 150 and 151 of the Act and shall keep the same open for inspection by any member or debenture holder without fee and by any other person on payment of a fee of Re.1/- for each inspection.

(4) Register and Index of Debenture Holders under Section 152 of the Act and shall keep it open for inspection of any member of debenture holder without fee and of any other person on payment of a fee of Re.1/- for each inspection.

(5) Foreign Register if thought fit as required by Section 157 of the Act and it shall be open to inspection and may be closed and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the Principal Register.

(6) Register of Contracts, and Companies and Firms in which Directors are interested, as required by Section 301 of the Act and shall keep it open for inspection of any member free of charge.

(7) Register of Directors and Secretary, as required by Section 303 of the Act and shall keep it open for inspection of any member of the Company without charge and of any other person on payment of a fee of Re. 1/- for each inspection.

(8) Register as to Holdings by Directors of shares and/or debentures in the Company as required by Section 307 of the Act and shall keep it open for inspection of any member of debenture holder of the Company on any working day during the period beginning fourteen days before the date of the Company's Annual General meeting and ending three days after the date of its conclusion.

(9) Register of Investments made by the Company in shares and debentures or the bodies corporate in the same group, as required by Section 372(5) of the Act.

(10) Books recording minutes of all proceedings of General Meeting, and of all proceedings at meeting of its Board of Directors or of Committee of the Board in accordance with the Provisions of Section 193 of the Act.

(11) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.

(12) Register of Loans as required by Section 370 of the Act.

231. The Register mentioned in clauses 9 and 11 of the foregoing Article and the minutes of all proceeding of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in case of Register of Members of the Company, as provided for in clause 3 thereof. Copies of entries in the Registers mentioned in the foregoing Articles shall be furnished to the persons entitled to the same on payment of thirty seven Paise for every hundred words or fractional part thereof required to be copied; the Company shall give inspection of the above Registers to the persons entitled to the same on such days and during such business hours as may consistently with the provisions of the Act in that behalf be determined by the Company in General Meeting.

Inspection of Registers.

## WINDING UP

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

Distribution of assets.

233. (1) If the company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the company in Trustees upon each trust for the benefit of the contributories or any of them, as the liquidator, with the like sanction shall think fit.

Distribution in Specie or kind.

(2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined upon any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such dividend to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall if practicable act accordingly.

Rights of  
shareholders in  
case of sale.

234. A Special Resolution sanctioning a sale to any other company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said Section.

## INDEMNITY

Indemnity.

235. Subject to provisions of Section 201 of the Act, every Director, or officer or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor, shall be indemnified out of the funds of the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such director, officer or auditor in defending any proceedings whether the civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Individual  
responsibility of  
Directors.

236. Subject to the provisions of Section 201 of the Act no Director, auditor or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity

or for any loss or expense happening to the Company through the insufficiency or deficiency to 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 of the moneys of the Company shall be invested, or for any loss or damage arising from the insolvency or tortious act of any person firm or Company to or with whom any money, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

### **SECRECY CLAUSE**

237. No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or a Managing Director (if any) or to require discovery of 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 to trade, secret processes, or any other matter which may relate to the conduct of the business of the company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

Secrecy Clause.

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

Name of Subscriber	Address, Occupation and Description of Subscribers	Number of Equity Shares taken by each Subscriber	Signature of Subscriber	Signature of Witnesses, and their Addresses, Descriptions and Occupations
<b>Shri Rajendra Vadilal Gandhi</b>	Son of Vadilal C. Gandhi Pradip Niwas, Nawroz Cross Lane, Ghatkopar, Bombay-400 086. Industrialist	100 (One hundred)	R. V. Gandhi	Pratap D. Gandhi Pratap D. Gandhi, M.A., L.L.B., A.C.S. Solicitor High Court Bombay Son of Vakil Durlabji Manekchand, Wadia Bldg., 3 <sup>rd</sup> floor, 17-19, Dalal Street, Fort, Bombay – 400 001.
<b>Shri Mahesh Vadilal Gandhi</b>	Son of Vadilal C. Gandhi Pradip Niwas, Nawroz Cross Lane, Ghatkopar, Bombay-400 086. Industrialist	100 (One hundred)	M. V. Gandhi	
<b>Shri Vadilal Chatrabhuj Gandhi</b>	Son of Chatrabhuj Motilal Gandhi Pradip Niwas, Nawroz Cross Lane, Ghatkopar, Bombay-400 086. Industrialist	100 (One hundred)	V. C. Gandhi	
<b>Shri Mansukhlal Premji Parekh</b>	Son of Premjibhai Parekh “Kaustub” Tilak Road, Ghatkopar, Bombay – 400 086. Industrialist	100 (One hundred)	M. P. Prakash	
<b>Shri Prabhakar Balvantray Mehta</b>	Son of Balvantray Mehta Morarji Mansion Darabshah Lane, Mohandas Marg, Bombay – 400 026. Business Executive	100 (One hundred)	P. B. Mehta	
<b>Shri Wamanrao Ghanshyam Desai</b>	Son of Ghanshyam R. Desai Laxmi Vishnu Sadan, Maharshi Karve Road, Thana – 2. Business Executive	100 (One hundred)	W. G. Desai	
<b>Shri Vinodray Balkrishna Mody</b>	Son of Balkrishna T. Mody 165, Mahavir, Derasar Lane, Ghatkopar, Bombay – 400 077. Industrialist	100 (One hundred)	V. B. Mody	
		700 (Seven hundred)	TOTAL	

Dated. 20<sup>th</sup> June 1974.

### ANNEXURE 1

The relevant clauses of the Memorandum of Association as existed before the amendment are as under :-

Clause I. The name of the Company is GUJARAT RECLAIM AND RUBBER PRODUCTS LIMITED.

Clause V. The Authorised Share Capital of the Company is Rs.50,00,000/- (Rupees Fifty Lakhs only) divided into 4,00,000/- (Four Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten Only) each and other 10,000 (Ten Thousand) unclassified shares of Rs.100/- (Rupees One Hundred only) each with power to the Company to increase or reduce the said capital and to issue any part of its Capital, original or increased with or without any preferences, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions, so that unless the conditions of issue shall otherwise be subject to the power herein contained. The right and privileges attached to any shares having preferential, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with clause of the accompanying Articles of Association but not otherwise.

Note : The above clause was amended as under :-

V. The Authorised Share Capital of the Company is Rs.50,00,000/- (Rupees Fifty Lakhs only) divided into 5,00,000/- (Five Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten) each with power to the Company to increase or reduce the said Capital and to issue any part of its Capital, original or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions, so that unless the conditions of issue shall otherwise be subject to the power herein contained. The right and privileges attached to any shares having preferential, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with clause of the accompanying Articles of Association but not otherwise.

(As amended vide Special Resolution passed at the Extra-Ordinary General Meeting of the Company held on 7<sup>th</sup> March, 1991).



Clause 107 :

**Demand for Poll**

(1) Before or on the declaration of the result of the voting on any resolution on how of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by the person or persons specified below, that is to say: -

(a) by at least five members having the right to vote on the resolution and present in person or by proxy; or

(b) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution or

(c) by any member or members present in person or by proxy and holding shares in the company conferring a right to vote on the resolution being shares on which aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all shares conferring that right.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Clause 134C:

**Directors appointed by corporation, etc.**

(1) So long as any money be owing by the Company to any Financial Corporation or Credit Corporation or to any Financial Company or Body and/or so long as any Finance or Credit Corporation or Financing Company or Body holds the shares in the Company, acquired as a result of underwriting (which Company, Corporation or Body is hereinafter in this Article referred to as "the Corporation") the Directors may authorise such Corporation to appoint, from time to time, any one or more person(s) acceptable to the Board of Director(s) of the Company and the Director(s) so appointed shall not be liable to retire by rotation and need not possess any qualification shares to qualify him/them for the office of such Director(s).

(2) The Corporation may at any time and from time to time remove any such Director(s) appointed by it and may, at the time of such removal and also in the case of death or resignation of the person(s) so appointed at any time, appoint another or others in his or their place, and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason what so ever; such appointment or removal shall be made in writing signed by the Chairman of the Corporation or Director thereof or any person authorised in this behalf and shall be delivered to the Company at its Registered Office.

(3) Every Corporation entitled to appoint a Director under this Article may appoint one or more such person(s) as Director(s), as may be agreed to by the Directors as set out in sub-clause (1) above.

(4) The Director or Directors so appointed shall hold the said office only so long as the whole or any part of the loan or debt by the Company to the respective corporation in respect of which such power of nomination is conferred remain outstanding and due or so long as the Corporation holds shares acquired as a result of the underwriting in respect of which the said power of nomination was conferred and Director so appointed in exercise of the said power shall ipso facto vacate his office immediately the said debt due to the said Corporation being discharged, or on the said Corporation ceasing to hold the said shares.

Clause 140 : **Remuneration of Directors**

The remuneration of each Director for his services shall be such sum as may be fixed by the Board of Directors not exceeding Rupees two hundred and fifty for each meeting of the Board attended by him. The Directors subject to the sanction of the Central Government (if any required) may be paid such further remuneration (if any) as the Company in General Meeting shall, from time to time determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine; and in default of such determination shall be divided among the Directors equally. Provided that no sitting fee shall be paid to any Managing or Wholetime Director for attending any meeting of the Board or Committee of the Board.

Clause 142 : **Travelling expense incurred by Director not a bonafide resident of place where a meeting is held.**

The Board of Directors may subject to the limitation provided by the Act allow and pay to any Director, who is not bonafide resident of a place where a meeting is held and who shall come to said place for purpose of attending a meeting of the Company or of the Board or a Committee of the Board, such sum as the Board may consider fair compensation for travelling hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.

Clause 163: **Notice of Candidate for office of Directors except in certain cases.**

(1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless he or some other member intending to propose him has, at least fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a Director for that office as the case may be.

Clause 178 **Chairman of the Board of Director**

The Board may appoint a Chairman of their meetings and determine the period for which he shall retain office. All meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of the Directors, the Chairman be not present within five minutes after the time appointed for holding the same then the Directors present at the meeting shall choose one of their number then present to be the Chairman of the meeting.