

*These new set of Articles of Association are proposed to be adopted pursuant to a special resolution of the shareholders to be passed on 29th September, 2018.*

## **THE COMPANIES ACT, 2013**

### **ARTICLES OF ASSOCIATION OF**

#### **MUKAT PIPES LIMITED**

**(Incorporated under the Companies Act, 1956)**

### **CHAPTER I – INTERPRETATION**

#### **Regulations in Table “F” not to apply generally**

1. The regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers by the Company with reference to the repeal or alteration or addition to its regulations by a Special Resolution as prescribed by the Companies Act, 2013 (18 of 2013) be such as are contained in the Articles set out herein below, and the regulations in Table “F” of Schedule I to the said Companies Act, 2013 (18 of 2013) shall not, except in respect of such of the matters for which no provisions exist in these Articles, apply to this Company.

#### **Definitions**

2. (A) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the meanings assigned to them respectively hereunder, namely:
  - i. “**Act**” means the Companies Act, 2013 (18 of 2013) and the Companies Act 1956, as applicable, including any statutory modification or re-enactment thereof for the time being in force
  - ii. “**Annual General Meeting**” means a General Meeting of Members held in accordance with the provisions of the Act, and any adjourned holding thereof;
  - iii. “**Articles**” means these Articles of Association;
  - iv. “**Auditor**” means and includes a person appointed as such for the time being of the Company;
  - v. “**Board**” means the board of directors of the Company and “**Director**” means any member of the Board;
  - vi. “**Beneficial Owner**” – shall mean the Beneficial Owner as defined under the Depositories Act, 1996;

- vii. **“Books of Account”** includes records maintained in respect of:
- (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) the assets and liabilities of the Company;
  - (c) items of cost as prescribed under the Acts; and
  - (d) such other items as may be determined in accordance with applicable law.
- viii. **“Capital”** – means the capital, for the time being, raised, or authorised to be raised, as the case may be, for the purpose of the Company, and includes, where the context so requires, paid up or subscribed Capital of the Company;
- ix. **“Company”** or **“this company”** means Mukat Pipes Limited;
- x. **“Depositories Act”** means the Depositories Act, 1996 and shall include any statutory modifications or re-enactment thereof for the time being in force;
- xi. **“Depository”** shall mean a Depository as defined under the Depositories Act, 1996;
- xii. **“Dividend”** includes any interim dividend;
- xiii. **“Equity Shares”** means the equity shares of the Company, presently having a face value of Rs. 5/- per equity share;
- xiv. **“Extra-ordinary General Meeting”** means an extra-ordinary general meeting of the Members duly called and constituted and any adjourned holding(s) thereof;
- xv. **“Financial Statements”** in relation to the Company, includes:
- (a) a balance sheet as at the end of the Financial Year;
  - (b) a profit and loss account,
  - (c) cash flow statement for the Financial Year;
  - (d) a statement of changes in equity, if applicable; and
  - (e) any explanatory statement annexed to, or forming part of any document referred to hereinabove;
- xvi. **“Financial Year”** means the financial year of the Company, being 1 April of the current year to 31 March of the succeeding year;

- xviii. “**Independent Director**” shall have the meaning as prescribed under Section 149(6) of the Act and any other law applicable to the Company;
- xix. “**in writing**” or “**Written**” includes printing, lithography and other modes of representing or reproducing words in a visible form including computer print outs;
- xx. “**Key Managerial Personnel**” means the Persons as defined in Section 2(51) of the Act;
- xxi. “**Listing Regulations**” mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, along with the relevant circulars issued thereunder;
- xxii. “**Managing Director**” shall have the meaning assigned to it under Section 2(54) of the Act. Section 2(54) of the Act defines the “**Managing Director**” to mean a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called;
- xxiii. “**Member**” means the duly registered holder, for the time being, of the shares in the Company, and includes every person holding any shares in the Company whose name is entered as Beneficial Owner in the records of the Depository;
- xxiv. “**Meeting**” or “**General Meeting**” means a general meeting of the Members held in accordance with the provisions of the Act;
- xxv. “**Office**” or “**Registered Office**” means the registered office, for the time being, of the Company;
- xxvi. “**Paid-up**” includes credited as paid up;
- xxvii. “**Persons**” includes corporations and firms as well as individuals;
- xxviii. “**Proxy**” means any person who is appointed by an instrument to attend and vote for a Member at a General meeting on a poll;
- xxix. “**Register of Members**” means the Register of Members to be kept pursuant to the Act and also includes records of the Depository maintained in any media as may be permitted by law including electronic media;
- xxx. “**Regulations**” or “**the Company’s Regulations**” means the regulations or bye- laws, if any, for the time being, framed by the Company;
- xxxi. “**Regulatory Agencies**” means any authority appointed under the Act and includes the Central Government, Reserve Bank of India, National Company Law Tribunal, the Registrar or any other authority appointed under the Act and any other authority authorised to exercise any powers under any other law for the time being in force;

- xxxii. **Registrar**” shall have the meaning assigned to it under the Act;
- xxxiii. **Secretary**” means a company secretary as defined in clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by the Company to perform the functions of company secretary under the Act;
- xxxiv. **Share**” means share in the share capital of the Company, and includes stock;
- xxxv. **Special Resolution**” and **Ordinary Resolution**” – shall have the meanings respectively assigned thereto in the Act;
- (B) **In these Articles:**
- (a) any reference importing a gender includes the other gender and words importing the singular include the plural and vice versa;
  - (b) The words "including" and "include" shall mean including without limitation and include without limitation, respectively;
  - (c) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the date of these Articles) for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
  - (d) Singular number be construed as referring to the plural number and vice versa;
  - (e) “year” shall be with reference to the calendar year; and
  - (f) “month” shall be with reference to the calendar month.
- (C) The marginal notes, headings and catch lines hereto shall not affect the construction or meaning hereof.
- (D) Save as aforesaid, any words or expressions defined in the Act, but not defined in these Articles shall, unless inconsistent with the subject or context, bear the same meaning herein as assigned to them in the Act.

## **CHAPTER II - CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

### **Capital**

(1) The Authorised Share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crores Only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.5/- (Rupees Five Only) each. Subject to the provisions of the Act and these Articles, Shares (whether forming part of the original Capital or of any increased Capital of the Company) and whether or not classified may be issued either with the sanction of the Company in General Meeting or by the Board, as the case may be, with such rights and privileges annexed thereto and upon such terms and conditions, as by the General

Meeting, or as the case may be, by the Board, sanctioning the issue of such Shares, be directed; and, if no such direction be given, and in all other cases, as the Board shall determine, and in particular such Shares may be issued with a preferential or qualified rights as to dividends and with special or without any right of voting and in the distribution of assets of the Company, without prejudice, however, to any rights and privileges already conferred on the holders of any Shares or class of Shares, for the time being, issued by the Company and any Preference Shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed subject to provisions of the Act.

#### **Shares under the control of the Directors**

- (2) Subject to the provisions of the Act and these Articles, the Shares in the Capital of the Company, for the time being (including any Shares forming part of any increased Capital of the Company), shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount, subject to compliance with the provisions of Section 53 and 54 of the Act, and at such times as they may, from time to time, think fit and proper, and with full power with the sanction of the Company in General Meeting to give to any person the option to call for or be allotted Shares of any class of the Company either at par or at a premium or subject as aforesaid at a discount such option being exercisable at such times and for such consideration as the Directors think fit.

#### **Power of General meeting to offer Shares to such Persons as Company may resolve**

4. (1) In addition to and without derogating from the powers for that purpose conferred on the Directors, and subject to the other provisions of these Articles, the Company in General Meeting may, subject to the provisions of Section 42 and 62 of the Act, determine to issue further shares out of the authorised but unissued Capital of the Company and 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 holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par or, subject to compliance with the provisions of the Act, including Section 53 and 54 of the Act, at a discount, as such General Meeting shall determine and with full power to give to any person (whether a Member or holder of debentures of the Company or not) the option to call for or be allotted Shares of any class of the Company either at a premium or at par or 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, subject to the provisions of Section 62 of the Act, make any other provision whatsoever for the issue, allotment or disposal of any Shares. Subject to any direction given by General Meeting as aforesaid the provisions of Articles hereof shall apply to any issue of new Shares.

#### **Directors may allot Shares as fully paid-up**

- (2) Subject to the provisions of the Act and these Articles, the Directors may allot and issue Shares in the Capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any Shares which may be so allotted may be issued as fully paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up Shares as aforesaid.

#### **Capital same as existing Capital**

5. Except so far as otherwise provided by the conditions of issue or by these Articles, any Capital raised by the creation of new Shares, shall be considered as part of the existing Capital, and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

#### **Increase, sub-division and consolidation of Shares**

6. Subject to the provisions of the Act, the Company in General Meeting may, from time to time, alter the conditions of its Memorandum of Association so as to -
  - (a) Increase its authorized Share Capital by such amount as it thinks expedient;
  - (b) Consolidate and divide all or any of its Share capital into Shares of larger amount than its existing Shares;
  - (c) Convert all or any of its fully Paid up Shares into stock, and reconvert that stock into fully Paid up Shares of any denomination;
  - (d) Sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association of this Company, so however, that in the sub-division, the proportion between the amount paid and 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; and
  - (e) Cancel Shares which at the date of passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the Shares so cancelled.

#### **Modification of rights**

7. (1) Whenever the Capital, by reason of the issue of preference Shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to any class may, subject to the provisions of Section 48 of the Act and the other provisions of these Articles, and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated, or dealt with, subject to the other provisions of these Articles and with the consent in writing of the holders of at least three-fourths of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meeting shall, mutatis mutandis

apply to every such meeting.

- (2) This Article shall not derogate from any power the Company would have if this Article were omitted.

### **CHAPTER III - SHARES AND SHARE CERTIFICATES**

#### **Preference Shares**

8. Subject to the provisions of the Act, including Section 55 of the Act, and these Articles and other applicable laws, the Company may issue Preference Shares on such terms and in such manner as the Company before the issue of such Preference Shares may determine, pursuant to a resolution.

#### **Shares to be numbered and no Shares to be sub-divided**

9. The Shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner herein before mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share shall continue to bear the number by which the same was originally distinguished. Provided that nothing in this Article shall apply to a Share held by a person, whose name is entered as holder of beneficial interest in such Share in the records of a Depository.

#### **Acceptance of Shares**

10. (1) An application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Share therein, shall be an acceptance of Shares within the meaning of these Articles.  
(2) Every person who thus or otherwise accepts any Shares of Members as also one whose name is entered as Beneficial Owner in the records of the Depository shall, subject to and for the purposes of these Articles, be a Member.

#### **Calls, etc. to be debt payable**

11. The money, if any, which the Board of Directors shall, on the allotment of any Shares being made by it, require or direct to be paid by way of deposit, call or otherwise, in respect of the Shares so allotted, shall immediately on the insertion of the name of the allottee in the Register of Members as also as Beneficial Owner in the records of the Depository as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

#### **Liability of Members**

12. Every Member or his heirs, executors or administrators or other representative shall 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 fix, for the payment thereof.

## Share Certificates

13. (1) Every Member or allottee of Shares shall be entitled, without payment, to receive one or more certificates, specifying the name of the person in whose favour it is issued, the Shares to which it relates and the amount paid thereon, within two months from the date of allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue provide.
- (2) Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or letters of renunciation, or in cases of issue of bonus Shares.  
  
Provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as to seek supporting evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence, as it may think fit.
- (3) When a Share is held in depository form, the record of the Depository is the *prima facie* evidence of the interest of the Beneficial Owner.

## Issue of Shares Certificates

14. (1) 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, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.
- (2) Subject to the provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014, or any statutory modification or re-enactment thereof, for the time being in force, every such certificate shall be signed by two Directors or by a director and the company secretary, if the company has appointed company secretary.
- (3) A Director shall be deemed to have signed the Share certificate if his signature is printed thereon as a facsimile signature by means of any machine, equipment or other mechanical means, such as, engraving in metal or lithography, or digitally signed but not by means of a rubber stamp. Provided that the Director shall be personally responsible for permitting the affixation of his signature thus and the safe custody of such machine, equipment or other material used for the purpose.
- (4) The particulars of every Share certificate issued in accordance with Article 14(1) shall be entered into the Register of Members maintained in accordance with the Act along with the names of the Persons to whom it has been issued, indicating the date of issue.
- (5) The Company shall keep and maintain the Register of Members in the manner as prescribed under the provisions of the Act and rules made thereunder. The Company



shall also be entitled to keep in any country outside India, a branch Register of Member resident in that country.

The registers shall be maintained at the Registered Office of the Company unless a Special Resolution is passed in a General Meeting authorising the keeping of the Register at any other place within the city, town or village in which the Registered Office is situated or any other place in India in which more than one-tenth of the total Members entered in the Register of Members reside.

- (6) The Company shall be entitled to dematerialise any or all of its Shares, debentures and other marketable securities pursuant to the Depositories Act and, subject to these Articles, to offer its Shares, debentures and other securities for subscription in a dematerialised form.

#### **Issue of Renewed or Duplicate Share Certificate**

15. (1) (a) No certificate of any Share or Shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.
- (b) The Company shall be entitled, but shall not be bound, to prescribe a charge not exceeding fifty rupees per certificate for issuing certificates due to splitting or consolidation of Share certificate/s or in replacement of Share certificate/s that are defaced or torn, old, decrepit, worn out or where the pages on the reverse have been utilised.
- (2) When a new Share certificate has been issued in pursuance of clause (1) of this Article, it shall state on the face of it, and against the stub or counterfoil to the effect that it is “issued in lieu of Share certificate No..... sub-divided / replaced/on consolidation of Shares”.
- (3) If a Share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board or a committee of the Board if authorized by the Board, subject to any Regulations imposed by the Board in this regard and on payment of such fee, not exceeding Rs. 50 as the Board may, from time to time fix, and on such reasonable terms, if any, as to evidence and indemnity and payment of out-of-pocket expenses incurred by the Company in investigating the evidence, as the Board thinks fit.
- (4) When a new Share certificate has been issued in pursuance of clause (3) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “duplicate issued in lieu of Share certificate No.....”. The word “duplicate” shall be stamped or punched prominently on the face of the Share certificate. Such certificate shall be issued within forty five days, from the date of submission of complete documents with the Company.

- (5) Where a new Share certificate has been issued in pursuance of clause (1) or clause (3) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Certificates in the manner prescribed under the Companies (Shares and Debentures) Rules, 2014, indicating against the name(s) of the person(s) to whom the certificate is issued, the number and date of issue of Share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross references in the "Remarks" column.

**Safe custody of blank Share certificate forms, books, etc.**

16. (1) All blank forms to be used for issue of Share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board.
- (2) The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose.
- (3) The Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (4) The committee of the Board, if so authorised by the Board or the Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of the Share certificates, including the blank forms of Share certificates, referred to in clause (1) of this Article:

All books referred to herein shall be preserved in good order and for such period and in such manner as prescribed under the Act and the Companies (Shares and Debentures) Rules, 2014.

**The first named of joint-holders deemed holder**

17. If any Share stands in the name of two or more Persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus, or service of notices and all other matters connected with the Company, except voting at meetings, and the transfer of the Share, be deemed the sole holder thereof; but the other joint holder(s) of the same shall not be relieved of his/their obligations in respect of payment of all instalments and calls due on the Share and all incidents thereof in accordance with the Company's Regulations.

**Company not bound to recognize any interest**

18. (1) Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in the Shares, or except only as is by these Articles otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the Persons who are from time to time, registered as the holders thereof; but the Board shall be at liberty, at its sole discretion, to register any Share in the joint names of any two or more Persons or the survivor or survivors of them.

- (2) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor (except in a case where they are fully paid) or in the name of a person of unsound mind, or in the name of any firm or partnership.

#### **Funds of Company not to be applied in purchase of Shares**

19. Except to the extent allowed by Section 67 and 68 of the Act and other applicable laws, no part of the funds of the Company shall be employed/lent for acquiring its own Shares. The Company shall be authorised to buy back its Shares and other securities in accordance with the provisions of the Act.

### **CHAPTER IV - CALLS AND INSTALLMENTS**

#### **Directors may make calls**

20. (1) The Board may, from time to time, subject to the terms on which any Shares may have been issued, and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circulation) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively, and each Member shall pay the amount of every call so made on him to the person, and at the times and places appointed by the Board.
- (2) A call may be revoked or postponed at the discretion of the Board.
- (3) A call may be made payable by installments.

#### **Notice of Calls**

21. Not less than fourteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or Persons to whom such call shall be paid.

#### **Calls to date from resolution**

22. 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 and may be required to be paid by installments.

#### **Liability of joint holders**

23. The joint holders of a share shall be jointly and severally liable to pay all installments and calls in respect thereof.

#### **Directors may extend time**

24. Subject to applicable law, the Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to the payment of any call for any of the Members; but no Member shall be entitled to such extension save as a matter of grace and favour.

### **Calls to carry Interest**

25. (1) If any Member fails to pay any call due from him on the date appointed for payment thereof, he shall pay interest thereon from the day appointed for the payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as shall, from time to time, be fixed by the Board.
- (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

### **Sum deemed to be calls**

26. Any sum, which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

### **Proof on trial of a suit for money due on Share**

27. Subject to the provisions of the Act and these Articles, on the trial or hearing of any suit, action or other proceeding brought by the Company against any Member or his 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:
- (a) That the name of the Member, in respect of whose Shares the money is sought to be recovered, appears/ entered in the Register of Members or in the records of the Depository as the holder, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the Shares in respect of which such money is sought to be recovered;
- (b) That the resolution making the call is duly recorded in the Minute Book; and
- (c) That the notice of such call was duly given to the Member or his representatives sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the meeting of 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 matter aforesaid shall be conclusive evidence of the debt.

### **Payment in anticipation of calls may carry interest**

28. (a) The Board may, if it thinks fit, agree to receive from Members, willing to advance the same, all or any part of the amounts of their respective Shares beyond the sums actually called up, and upon the moneys so paid in advance, may (until the same would, but for such advance, become presently payable) pay interest at such rate, as may be agreed upon between the Board and the member paying the sum in advance as prescribed under applicable law, unless the Company may otherwise determine in a General Meeting.

Provided that any amount Paid up in advance of calls on any Shares may carry interest but shall not in respect thereof confer a right to participate in profits.

- (b) 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 the Member three months' notice in writing.
- (c) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

## **CHAPTER V - LIEN**

### **Company to have lien on Shares**

29. 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) but shall be restricted to moneys called or payable at fixed time in respect of such Share and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares and no equitable interest in any Shares shall be created.

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.

### **Enforcing Lien by Sale**

30. (1) For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise some person to execute a transfer thereof on behalf of and in the name of such Member.

Provided that no such sale shall be made-

- (a) Unless a sum in respect of which the lien exists is presently payable, or
  - (b) Until the 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.
- (2) To give effect to any such sale, the Board may authorise some person to transfer the Shares sold to the purchaser thereof.
- (3) The purchaser shall be registered as the holder of the Shares comprised in any such

transfer.

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

#### **Application of proceeds of sale of Shares**

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

### **CHAPTER VI - FORFEITURE OF SHARES**

#### **If money payable on Share not paid, notice to be given to Members**

32. If any Member fails to pay any call or installment of a call, on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter during such time as the call or installment remains unpaid, serve 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.

#### **Notice of forfeiture/Forfeiture**

33.
  - (1) The notice shall name a day (not being less than fourteen days from the date of service of the notice) and a place or places on and at which such call or installment and such interest as from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.
  - (2) 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 call was made or installment is payable, will be liable to be forfeited.
  - (3) Such forfeiture shall include all Dividend declared in respect of the forfeited Shares and not actually paid before the forfeiture provided that there shall be no forfeiture of unclaimed Dividend before the claim becomes barred by law.

#### **Judgment etc. not to preclude the Company to enforce forfeiture**

34. Neither a judgment nor a decree in favour of the Company nor 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 Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

#### **Notice of forfeiture**

35. If the requirements of any such notice 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 instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect.

**Omission to give notice not to invalidate forfeiture**

36. 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, or in the records of the Depository but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

**Forfeited Share to be the property of the Company**

37. 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 shall think fit.

**Member liable notwithstanding forfeiture**

38. (1) Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company, on demand, all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate, as the Board may determine and the Board may enforce the payment thereof, if it thinks fit, but shall not be under any obligation to do so.
- (2) The liability of such person shall cease if and when the Company shall have received payment in full of all such money in respect of the Shares.

**Forfeiture to involve extinction of all interest etc.**

39. 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 Articles are expressly saved.

**Validity of sale on forfeiture**

40. (1) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of the Shares sold and may cause the purchaser's name to be entered in the Register of Members or in the records of the Depository in respect of the Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members or in the records of the Depository in respect of such Shares, the validity of the sale shall not be impeached by any person.

- (2) Upon any such sale, re-allotment or other disposal under the above clause, the certificate or certificates originally issued in respect of the Shares sold shall (unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or Persons entitled thereto.

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### **Power to annul forfeiture**

41. 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.

## **CHAPTER VII - TRANSFER AND TRANSMISSION OF SHARES**

### **Transfer**

42. Subject to the provisions of these Articles, a Member may, at any time, transfer all or any part of the Shares held by him, to any person.

### **Form of transfer**

43. The instrument of transfer of any Share shall be in writing in the form prescribed under the Act.

### **To be executed by Transferor and Transferee**

44. Every such instrument of transfer shall be executed by or on behalf of both the transferor and the transferee other than the transfer between Persons both of whose names are entered as holders of beneficial interest in the records of the Depository, such instrument of transfer shall be 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 or in the records of the Depository in respect thereof.

### **Transfer to be delivered with evidence of title**

45. Every instrument of transfer shall be delivered within a period of sixty days from the date of execution to the Company duly stamped for registration accompanied by the relevant Share certificate(s) or if no such certificate is in existence, along with the letter of allotment and such evidence as the Board 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 may, 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.

### **Application for transfer**

46. (1) An application for registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee.
- (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 clause (2) above, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid 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.

**The Company not liable for disregard of a notice prohibiting registration of a transfer**

47. 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.

**Death, insolvency or liquidation**

48. In the case of death, insolvency, liquidation, dissolution or winding up of any one or more of the Persons named in the Register of Members or in the records of the Depository as the joint holders of any Share, subject to the other provisions of these Articles, the Company shall not be bound to recognise any person(s) other than the surviving or remaining holder/s.

**Registrations of Persons entitled to Shares otherwise than by transfer**

49. Any person becoming entitled to Shares in consequence of death, insolvency, dissolution, winding-up or liquidation of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board, which it shall not be under any obligation to give and subject to the other provisions of these Articles, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or his title, as the Board thinks sufficient, be registered as the holder of the Shares subject to the provisions of the Act, and the Articles.

**Fees on transfer or transmission**

50. The Company shall not levy any charge for the following:
- (a) For registration of transfer of Shares and Debentures.
  - (b) For sub-division of renounceable Letters or Right;
  - (c) For registration of any Power of Attorney, Probate, Letters of Administration or similar other documents. However, the Company may charge fees, as may be decided by its Board of Directors from time to time, but not exceeding those which may be agreed upon with the recognised Stock exchanges, Depositories or any other Regulatory authorities.

- (d) For issue of new certificates in replacement of those that are torn, defaced, lost or destroyed;
- (e) For sub-division and consolidation of Share and Debenture Certificates and for sub-division of Letters of Allotment, split, consolidation, Renewal and Pucca Receipts into denomination other than those fixed for the market units of trading.

#### **Registration of transfer of Shares**

51. Subject to the provisions of the Act and other applicable laws, the Board of Directors, in its absolute discretion, shall be entitled to refuse registration of transfer of any Shares or interest of a Member therein or Debentures.

Provided that registration of transfer shall not be refused on the ground of transferor being either alone or jointly with any other person or Persons indebted to the Company on any account whatsoever, except the lien on Shares.

#### **Register of transfers and transmissions**

52. The Company shall keep a book, to be called the "Register of Transfer and Transmissions", and therein shall be fairly and distinctly entered particulars of every transfer and transmission of Shares which is made in accordance with the provisions of these Articles.

53. The Board shall have power to close the transfer books or such other equivalent records in the manner as prescribed under applicable Law.

- (a) Notwithstanding anything contained in these Articles, in the case of transfer of Shares or other marketable securities, where the Company has not issued any certificates and where such Shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

Provided that in respect of the Shares, debentures and other marketable securities held by the Depository on behalf of a Beneficial Owner as defined in the Depositories Act, Section 89 of the Act shall not apply.

### **CHAPTER VIII - BORROWING POWERS**

#### **Powers of Board to Borrow**

54. Subject to the provisions of these Articles, the Directors may, from time to time, by a resolution passed at a meeting of the Board and not by circulation, borrow moneys generally for the purpose of the Company.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of the Board, the Managing Director, the Manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the power to borrow monies on such conditions as it may specify.

Provided further that the Directors shall not borrow moneys, where moneys to be borrowed together with the moneys already borrowed by the Company, apart from temporary loans obtained in its ordinary course of business and except as otherwise provided hereafter, shall 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.

It is hereby clarified that, in respect of dealings between the Company and its bankers, the exercise by the Company of the borrowing power as specified above shall mean the arrangement made by the Company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day-to-day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.

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

55. Subject to the provisions of the Act and other applicable law and these Articles, the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, or redeemable debentures or debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled Capital for the time being.

#### **Bonds, Debentures, etc. to be subject to control of Directors**

56. Any bonds, debentures, debenture-stock or other debt securities issued or to be issued by the Company shall be under the control of the Directors who, subject to these Articles, may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

- 56A Pursuant to and to comply with the provisions of Regulation 20A of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, Circular CIR/IMD/DF-1/67/2017 dated 30 June, 2017 issued by Securities and Exchange Board of India and such other circulars as may be issued from time to time and other applicable laws, the Company shall be authorised to carry out consolidation and reissuance of debt securities (bonds, debentures, debenture stock or other debt securities of same or different series) issued or to be issued by the Company from time to time, in any manner, as may be decided by the Board.

#### **Securities may be assignable free from equities**

57. Debentures, debenture-stock, bonds or other securities may, subject to the provisions of these Articles, be made assignable free from any equities between the Company and the person to whom the same may be issued.

#### **Issue at discount, etc. or with special privileges.**

58. Subject to the provisions of the Act and these Articles and other applicable Laws, any bonds, debentures, debenture-stock or other debt securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of Shares, appointment of Directors and otherwise.

Provided that debentures with the right to convert such debentures into Shares, shall not be issued unless the terms of issue of such debentures is approved by a Special Resolution passed by the Company in a General Meeting.

## **CHAPTER IX - MEETING OF MEMBERS**

### **General Meetings**

59. (1) The Company shall in each Financial Year hold in addition to any other meetings a General meeting as its Annual General Meeting and shall specify the Meeting as such in the notices calling it; and not more than fifteen months shall lapse between the date of one Annual General Meeting of the Company and that of the next.

Provided that in case of the first Annual General Meeting, it shall be held within a period of nine months from the date of closing of the first Financial Year of the Company and in any other case, within a period of six months, from the date of closing of the Financial Year.

Provided also that the Registrar may, for any special reason, extend the time within which any Annual General Meeting, other than the first Annual General Meeting, shall be held, by a period not exceeding three months.

- (2) Every Annual General Meeting shall be called for a time during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office or at some other place within the city, town or village in which the Registered Office is situated:
- (3) The Company may, at any Annual General Meeting, fix the time for its subsequent Annual General Meeting.

- (4) Every Member of the Company shall be entitled to attend every General Meeting 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 such Auditor. The Proxy register with proxies and the register of Directors' shareholdings shall remain open and accessible during the meeting.

Provided however in case of inspection of Proxy register not less than three days' notice in writing of the intention so to inspect is given to the Company.

- (5) At every Annual General Meeting, there shall be laid on the table the Directors' Report and Audited Financial Statements, and the Auditor's Report (if not already incorporated in the Audited Financial Statements).

### **Calling of Extra-ordinary General Meeting on requisition**

60. (1) The Board may, whenever it deems fit, call an Extra-ordinary General Meeting of the Company. The Board shall, on the requisition, in writing or through electronic mode, of such number of Members of the Company as is specified in clause (4) of this Article forthwith proceed to call an Extra-Ordinary General Meeting either at the Registered Office or at some other place within the city, town or village in which the

Registered Office of the Company is situate.

- (2) 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.

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- (3) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- (4) The number of Members entitled to requisition an Extra-Ordinary General Meeting in regard to any matter shall be such number, who have on the date of receipt of the requisition not less than one-tenth of such of the paid-up Capital of the Company as at that date carries the rights of voting.
- (5) Where two or more matters are specified in the requisition, clause (4) shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
- (6) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matters, proceed duly to call an Extra-Ordinary General Meeting for the consideration of those matters on a day not later than forty-five days from the date of receipt of such requisition, the Extra-Ordinary General Meeting may be called and held by the requisitionists themselves.

**Explanation :-** For the purpose of this 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 the Act.

- (7) A meeting called under clause (6) 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 and held by the Board; but
  - (b) shall not be held after the expiration of three months from the date of the requisition.
- (8) Where two or more Persons hold any Share or interest in the Company jointly, a requisition, or a notice calling a Meeting, signed by one or some of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.
- (9) 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.
- (10) A meeting called by the requisitionists shall be convened only on a working day.
- (11) The notice calling Extra- Ordinary Meeting shall specify the place, date, day and hour of the meeting and shall contain the business to be transacted at the meeting.
- (12) No explanatory statement as required under relevant provisions of Companies Act, 2013 need be annexed to the notice of an Extra-ordinary General Meeting convened by the requisitionists and the requisitionists may disclose the reasons for the resolution(s)

which they propose to move at the meeting.

- (13) The notice of the meeting shall be given to those Members whose names appear in the Register of Members of the Company within three days on which the requisitionists deposit with the Company a valid requisition for calling an Extra-ordinary General Meeting.
- (14) Where the meeting is not convened, the requisitionists shall have a right to receive list of Members together with their registered address and number of Shares held and the Company concerned is bound to give a list of members together with their registered address made as on twenty first day from the date of receipt of valid requisition together with such changes, if any, before the expiry of the forty-five days from the date of receipt of a valid requisition.
- (15) The notice of the meeting shall be given by speed post or registered post or through electronic mode. Any accidental omission to give notice to or the non-receipt of such notice by, any Member shall not invalidate the proceedings of the meeting.

#### **Twenty-one days' notice of Meeting to be given**

61. (1) Notice of at least clear twenty-one days for every General Meeting, specifying the day, place and hour of the Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such Persons as are under the relevant provision of the Act and under these Articles entitled to receive the notice from the Company.

Provided that a general meeting may be called after giving shorter notice than that specified in this sub-section if consent, in writing or by electronic mode, is accorded thereto—

- (i) in the case of an annual general meeting, by not less than ninety-five per cent. of the members entitled to vote thereat; and
- (ii) in the case of any other general meeting, by members of the company—
  - (a) holding, if the company has a share capital, majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or
  - (b) having, if the company has no share capital, not less than ninety-five per cent. of the total voting power exercisable at that meeting:

Provided further that where any member of a company is 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 purposes of this sub section in respect of the former resolution or resolutions and not in respect of the latter.]

- (2) In the case of an Annual General Meeting, any business other than (i) the consideration of the standalone and consolidated Financial Statements of the Company and the reports of the Board and the Auditors thereon, (ii) the declaration of any 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, shall be deemed special and in case of any other meeting, all business shall be deemed special, and there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of special business, namely:-



- (a) the nature of the concern or interest, financial or otherwise, if any, in respect of each items of- -
    - (i) every Director and the Manager, if any
    - (ii) every other Key Managerial Personnel; and
    - (iii) relatives of Persons mentioned in sub clause (i) and (ii).
  - (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.
- (3) Where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company of every promoter, Director and the Manager, if any, and of every Key Managerial Personnel of the Company shall also be set out in such statement if the extent of such shareholding interest is not less than two per cent of the paid-up Share Capital of that other company.
- (4) Where any item of business consists of according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

**Omission to give notice not to invalidate proceedings**

62. The accidental omission to give any such notice to, or the non-receipt of notice by any Member or other person who is entitled to such notice for the Meeting shall not invalidate any proceedings at the Meeting.

**Notice of business to be given**

63. No items of business other than those specified in the Notice and those specifically permitted under the Act shall be taken up at the Meeting.

**Quorum at General Meeting**

64. (1) The quorum for a General Meeting shall be as follows;
- (a) Five Members personally present if the number of Members as on the date of the meeting is not more than one thousand;
  - (b) Fifteen Members personally present if the number of Members as on the date of the meeting is more than one thousand but up to five thousand;
  - (c) Thirty Members personally present if the number of Members as on the date of the meeting exceeds five thousand.
- (2) A body corporate, being a Member, shall be deemed to be personally present if represented in accordance with provisions of the Act.

### **If quorum not present at the General Meeting**

65. (1) If, at the expiration of half an hour from the time appointed for the General Meeting, a quorum shall not be present, the Meeting, if convened by or upon the requisition of General Members shall stand cancelled. In any other case, it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine.

(2) **If quorum not present, General Meeting to be dissolved or adjourned**

If, at such adjourned General Meeting also a quorum is not present, within half an hour from the time appointed for the General Meeting, the Members present, shall be the quorum, and may transact the business for which the General Meeting was called.

Provided that in case of an adjourned General Meeting or of a change of day, time or place of meeting, the Company shall give not less than three days notice to the Members either individually or by publishing an advertisement in the newspaper (one in English and one in vernacular language) which is in circulation at the place where the Registered Office of the Company is situated.

### **Chairman of General Meeting**

66. (1) The Chairman, if any, of the Board of Directors shall preside as Chairman, at every General Meeting, whether Annual or Extra-ordinary.
- (2) If, at any Meeting the Chairman shall not be present within fifteen minutes of the time appointed for holding such Meeting, or shall decline to take the chair, or if no Director has been so designated, the Directors present at the Meeting shall elect any one of themselves to be the Chairman of the Meeting. If no Director is present within fifteen Minutes after the time appointed for holding the Meeting, or if no Director is willing to take the chair, the Members present shall elect, on a show of hands, one of themselves to be the Chairman of the Meeting.

### **Business confined to election of Chairman whilst chair vacant**

67. (1) No business shall be discussed at any General Meeting except the election of Chairman, whilst the chair is vacant.
- (2) 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 these Articles. The Chairman so elected on a show of hands shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll and exercise all the powers of the Chairman under the Act and these Articles.
- (3) If some other person is elected Chairman as a result of the poll he shall be the Chairman for the rest of the Meeting.

### **Chairman with consent may adjourn Meeting**

68. (1) The Chairman, with the consent of the Members may adjourn any Meeting, from time to time, and from place to place but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
- (2) Notice to be given where a meeting adjourned for 30 days or more

When a Meeting is adjourned for 30 days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

### **Questions at General Meeting how decided**

69. (1) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded or the voting is carried out electronically, be decided on a show of hands.
- (2) A declaration by the Chairman of the General Meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the General Meeting shall be conclusive evidence of the fact of passing of such resolution or otherwise,
- (3) 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 General Meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by Proxy, where allowed, and having not less than one-tenth of the total voting power or on which an aggregate sum of not less than five lakh rupees or such amount as may be prescribed has been paid-up. The demand for a poll may be withdrawn at any time by the person or Persons who made the demand.

### **Postal Ballot**

70. (1) Notwithstanding anything contained in the Act, a company—
- (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and
- (b) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting.
- (2) If a resolution is assented to by the requisite majority of the Members by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

### **Chairman's casting vote**

71. In the case of a equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
72. A poll demanded on any question other than adjournment of the meeting or appointment of Chairman shall be taken at such time, not being later than forty-eight hours from the time when the demand was made, as the Chairman of the meeting may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken. The result of the poll shall be deemed to be the decision of the General Meeting on the resolution on which the poll was taken.

### **Scrutinizers at poll**

73. (1) Where a poll is to be taken, the Chairman of the General Meeting shall appoint such number of Persons, as he deems necessary, to scrutinize the poll process and votes given on the poll and to report thereon to him in the manner as may be prescribed from time to time.

### **In what case poll taken without adjournment**

74. A poll demanded for adjournment of the General Meeting or appointment of Chairman of the General Meeting shall be taken forthwith.

### **Demand for poll not to prevent transaction of other business**

75. The demand for a poll, except on the question of the election of the Chairman, and of an adjournment, 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.

## **CHAPTER X - VOTES OF MEMBERS**

### **Members in arrears not to vote**

76. No member shall be entitled to vote either personally or by Proxy for another Member, at any General Meeting or at any Meeting of a class of shareholders, either upon a show of hands, or upon a poll, in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

### **Number of votes to which Member entitled**

77. Subject to the provisions of these Articles, and without prejudice to any special privileges or restrictions as to voting, for the time being attached to any class of Shares for the time being forming part of the Capital of the Company, every Member, not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands every Member present in person shall have one vote and upon a poll every Member present in person or by Proxy shall have the right to vote (in proportion to his Share

of the Paid up equity Capital of the Company), in accordance with the provisions of applicable law, provided, however, if any preference shareholder be present at any Meeting of the Company, save as provided in the Act, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his Preference Shares.

#### **Votes of Joint Members**

78. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

#### **Voting in person or by Proxy**

79. Subject to the provisions of these Articles, votes may be given by Members either in person or by Proxy.

#### **Appointment of Proxy**

80. (1) The instrument appointing a Proxy shall –
- (a) be in writing; and
  - (b) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (2) The Proxy so appointed shall not have any right to speak at the Meetings and shall not be entitled to vote except on a poll.
- (3) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights:
- Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

#### **Voting at General Meetings**

81. A Member may exercise his right to vote at any General Meeting by electronic means, if applicable, in accordance with the provisions of Section 108 of the Act and the rules made thereunder, as amended from time to time and the Company may pass any resolution by an electronic voting system in accordance with the provisions of the Companies (Management and Administration) Rules, 2014.

#### **Voting on a show of hands**

82. No Proxy shall be entitled to vote on show of hands. The representative of a body corporate appointed in terms of the Act, however, shall have a vote on show of hands.

### **Deposit of Instrument of appointment of Proxy etc.**

83. The instrument appointing a Proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Registered Office not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default, the instrument of Proxy shall not be treated as valid.

### **Validity of votes given by Proxy notwithstanding revocation thereof**

84. A vote given in accordance with the terms of an instrument of Proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the Proxy or of the authority under which the Proxy was executed, or the transfer of the Shares in respect of which the Proxy is given:

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

### **Time for objection to the validity of votes**

85. No objection shall be raised to the qualification of the voter or to the validity of any vote, except at the Meeting or at the adjourned Meeting or on a poll at which such vote shall be given or tendered, and every vote whether given personally or by Proxy, not disallowed at such Meeting or adjourned Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

### **Chairman of any Meeting to be the judge of validity of any vote**

86. The Chairman of any Meeting shall be the sole judge of the validity of every vote given or tendered at such Meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. In case of ambiguity about the validity of a Proxy, the Scrutinizers shall decide the validity in consultation with the Chairman.

### **Minutes of General Meetings and Inspection**

87. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such Meeting, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within this period, by a Director duly authorised 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) (i) Nothing herein contained shall require or 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 to the proceedings; or
  - (c) is detrimental to the interests of the Company.(ii) The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (7) Any such minutes shall be evidence of the proceedings recorded therein.
- (8) (i) The books containing the minutes of the proceedings of any General Meeting shall be kept at the Registered Office and shall be open during business hours, for a period of two hours in the aggregate in each day, to the inspection of any Member without charge.
  - (ii) Any Member 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) on payment of such sum as may be prescribed under the Act.

#### **Minutes in loose leaf binder**

- 88. The minutes of the Meetings may be maintained in the books in the form of a binder containing loose leaves in the manner prescribed by the Central Government.

#### **Maintenance and inspection of documents**

- 89. Without prejudice to any provisions of the Act, any information, document, record, register, minutes, etc. required to be kept by the Company or allowed to be inspected or copies to be given to any person by the Company under the Act, may be kept or inspected or copies given, as the case may be, in electronic form or in such form and manner as may be prescribed under the Act.

## CHAPTER XI - DIRECTORS

### Number of Directors

90. (1) Until otherwise determined by a General Meeting the number of Directors shall be not less than three and not more than fifteen, provided that the Company may appoint more than fifteen Directors after passing a Special Resolution.
- (2) The Board shall be constituted in such manner as may be prescribed under applicable law, including such number of Independent Directors and Woman Directors as may be prescribed under the Act and the Listing Regulations.

### Directors

91. (1) The Directors shall have the power to appoint any person as Director as an Additional Director so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any Directors so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for re-election.

The First Directors of the Company are as under-

- a) **MR. BHOPINDER SINGH AHLUWALIA**
- b) **MR. RAJINDER SINGH AHLUWALIA**
- c) **MR. KULJINDER SINGH AHLUWALIA**

### Retirement by Rotation of Directors and Reconstitution of Directors

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

Not less than two-thirds of the total number of Directors shall be Persons whose period of office is liable to determination by retirement of Directors by rotation. Provided that the Independent Directors appointed pursuant to the provisions of the Companies Act, 2013 shall not be liable to retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article. In these Articles a "retiring Director", means a Director retiring by rotation

- (3) 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 the Persons who became Directors on the same day, those who are to retire shall, in default of, and subject to any agreement among themselves, be determined by lot.
- (4) A retiring Director shall be eligible for reappointment.



- (5) At the Annual General Meeting at which a Director retires as aforesaid, the Company, subject to these Articles, may fill up the vacancy by appointing the retiring Director or some other person thereto.
- (6) If the place of a retiring Director, retiring by rotation at a Meeting, is not filled up at such Meeting and that Meeting has not expressly resolved not to fill the vacancy, that Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.
- (7) 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 that Meeting or at the previous Meeting a Resolution for the re-appointment 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 to the Board, expressed his unwillingness to be so re-appointed;
  - (iii) He is not qualified or is disqualified for appointment; or
  - (iv) A Resolution, whether Special or Ordinary, is required for his appointment or re- appointment by virtue of any provisions of the Act; or
  - (v) Section 162 of the Act is applicable to the case.
- (8) (i) If, the requirements as to the constitution of the Board as laid down in the Act are not fulfilled at any time, the Board shall reconstitute such Board so as to ensure that such requirements are fulfilled.
- (ii) If, for the purpose of reconstituting the Board under sub-clause (i) it is necessary to retire any Director or Directors, the Board shall, by lots drawn at a Board Meeting decide which Director or Directors shall cease to hold office and such decision shall be binding on every Director.
- (iii) Every Director if he is appointed under any casual or other vacancy shall hold office until the date up to which his predecessor would have held office, if the election had not been held, or, as the case may be, the appointment had not been made.
- (iv) No act done by a person as a director shall be deemed to be invalid, notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the Articles of the Company:

Provided that nothing in this Article shall be deemed to give validity to any

act done by the director after his appointment has been noticed by the Company to be invalid or to have terminated.

#### **The Company may increase or reduce number of Directors**

- (9) The Company may by Special Resolution from time to time increase or reduce the number of Directors.

Provided that any increase in the number of Directors as fixed by Article 90 of these Articles shall not have effect unless approved by the Regulatory Agencies whose approval is required under any law for the time in force.

#### **Appointment of Alternate Director**

92. (1) The Board may, subject to these Articles, appoint an alternate Director to act for a Director (hereinafter called the "Original Director") during his absence for a period of not less than three months from India. Provided that no person shall be appointed as an alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act and or other applicable law for time being in force.
- (2) An alternate Director appointed under this Article shall vacate office if and when the Original Director returns to India.
- (3) If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director, and not to the alternate Director.
- (4) An alternate Director shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed.

#### **Appointment of Additional Directors**

93. (1) The Board of Directors shall also have power at any time and from time to time, to appoint any person, other than a person who fails to get appointed as a Director in a General Meeting, as an additional Director, but so that the total number of Directors shall not, at any time exceed the maximum strength fixed for the Board by the Articles.
- (2) Any person so appointed as an additional Director shall remain in office only up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for the appointment at such Meeting subject to the provisions of the Act.

#### **Filling of casual vacancies**

94. (1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy

may, in default of and subject to these Articles, be filled by the Board of Directors at a meeting of the Board.

- (2) Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

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

95. (1) At a General Meeting of the Company a motion shall not be made for the appointment of two or more Persons as Directors by a single resolution, unless a resolution that it shall be so made has first been agreed to by the Meeting without any vote being given against it.
  - (2) A Resolution moved in contravention of clause (1) shall be void, whether or not objection was taken at the time of its being so moved.
  - (3) For the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.
96. (1) Subject to the provisions of the Act and these Articles any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting if he or some members intending to propose him has at least fourteen clear days before the meeting left at the Registered Office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of

such sum as may be prescribed under the Act which shall be refunded to such person or, as case may be, to the member, if he succeeds in getting elected as a Director or gets more than twenty five per cent of total valid votes cast either on show of hands or on poll on such resolution.

- (2) The Company shall inform its Members of the candidature of a person for the office of a 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 notices 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 Registered Office of the Company, a notice under the Act signifying his candidature for the office of 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.

#### **Filing of consent to act as Director**

97. A person other than -
- (a) a Director re-appointed after retirement by rotation or 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 of a Director, appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office; or
  - (c) a person named as a Director of the Company under its Articles as first registered; shall not act as a Director of the Company, unless he has on or before his appointment furnished his consent in writing to act as such Director to the Company .

Provided that the Company shall, within the thirty days of the appointment of a Director, file such consent with the Registrar in the prescribed manner along with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014

#### **Remuneration of Directors**

98. (1) The Board may from time to time fix the sitting fee to be paid to Directors or any Committee/(s) of Board of Directors thereof not exceeding such amount as is permissible under the Act and Rules made thereunder, for

attending the meeting.

- (2) Subject to the provisions of the Act and these Articles, the Directors may be paid such further or additional remuneration, if any, as the Company in General Meeting shall, from time to time determine, and such additional or 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 equally among the Directors entitled to remuneration.
- (3) Subject to the provision of the Act and these Articles, if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as a member of any committee of the Board), the Board may arrange with such Director for special remuneration for such extra services or special exertions or efforts, either by a fixed sum or otherwise, as may be determined by the Board, and such remuneration may be either in addition to or in substitution for his remuneration above provided.

#### **Travelling expenses incurred by Director**

99. The Board of Directors may allow and pay to any Director, who is not a resident of the place where the meeting of the Board are ordinarily held and who shall come to such place for the purpose of attending a meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses, in addition to his fee, if any, for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be reimbursed all travelling and other expenses incurred in connection with the business of the Company.

#### **Directors may act notwithstanding vacancy**

100. The continuing Director(s) 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, the continuing Director(s) may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General Meeting, but for no other purpose.

#### **When office of Director to be vacated**

101. No person shall be appointed or continue as a Director if he is disqualified to be appointed as a Director under any of the provisions of either of the Act and accordingly the office of a Director shall be vacant if the individual is disqualified to act as a Director under any of the provisions of the Act or any other law for the time being in force and applicable to the Company..

#### **Directors may be directors of companies promoted by the Company**

102. Subject to the provisions of the Act and any other applicable law for the time being in force, a Director may be or become a director of any company promoted by the Company, or in which he may be interested as a vendor, shareholder, or otherwise, and no such Director shall except as otherwise provided by or under the Act, be accountable for any benefits received as director or shareholder of such other Company.

## **CHAPTER XII - PROCEEDINGS OF THE BOARD OF DIRECTORS**

### **Meeting of Directors**

104. The Directors shall hold a minimum number of four meetings of the Board every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board.

### **Notice of meetings**

105. (1) Subject to the provisions of the Act, a meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means:

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting;

Provided further that in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director, if any.

- (2) The Notice shall be sent to the postal address or e-mail address, registered by the Director with the Company or in the absence of such details or any change thereto, any of such addresses appearing in the Director Identification Number (DIN) registration of the Director. Where a Director specifies a particular means of delivery of Notice, the Notice shall be given to him by such means. Proof of sending Notice and its delivery shall be maintained by the Company.

### **Quorum**

106. The quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time) or two Directors whichever is higher; any fraction in that one-third being rounded off as one and total strength shall not include Directors whose places are vacant. The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum under this Article.

Provided, however, that 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 Directors (i.e. the number of Directors who are not interested), present at the meeting, being not less than two, shall be the quorum during such time.

#### **Adjournment of meeting for want of quorum**

107. If a meeting of the Board cannot be held for want of quorum, then, the meeting shall stand adjourned to such other day, time and place as the Director or Directors present at the meeting may fix.

#### **Chairman**

108. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. If, no such Chairperson is elected or if at any meeting, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall elect one of their members to be Chairman of the meeting

#### **Questions at Board meetings how decided**

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

#### **Powers to be exercised at meeting**

110. A meeting of the Board 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 the Articles or the Regulations of the Company are, for the time being, vested in or exercisable by the Board generally.

#### **Directors may appoint committees of the Board**

111. (1) Subject to the provisions of Section 179 of the Act, the Board may delegate its powers as specified in Section 179 and other provisions of the Act to such committee of the Board consisting of such member(s) of the Board as it thinks fit and on such conditions as it may specify in writing.
- (2) The Board may, from time to time, dissolve or discharge any such committee of the Board either wholly or in part as to Persons or purposes, but every committee of the Board to be formed shall in the exercise of the powers so delegated conform to these Articles and any other Regulations that may, from time to time, be imposed on it by the Board.
- (3) All acts done by any such committee of the Board in conformity with such Regulations and in fulfillment of the purpose of their appointment, but not otherwise shall have the like effect as if done by the Board.

### **Quorum for committee of the Board meeting**

112. The quorum for a meeting of such a committee of the Board shall be two or such higher number as may be prescribed in terms of reference of the respective Committee.

### **Meetings of committee of the Board how governed**

113. 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.

### **Committees of the Board**

114. (i) The Board shall have an audit committee, a nomination and remuneration committee, stakeholders relation committee, , and such other committee as may be prescribed under applicable laws.
- (ii) The role, constitution and terms of reference of the committees of the Board referred to in sub-article (i) shall be in accordance with the Act, the Listing Regulations and other applicable laws.

### **Resolution by circulation**

115. Save in those cases where a resolution is required by Section 161(4), 179, 182, 184, 186, 188, 203 and other applicable provisions of the Act, to be passed at a meeting of the Board, a resolution shall be valid and effectual as if it had been duly passed by the Board or by a committee of the Board thereof, as the case may be duly called and constituted if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the committee of the Board, as the case may be, at their addresses in India by hand delivery or by post or by courier, or through electronic means and has been approved by majority of the Directors or members of the committee of the Board, who are entitled to vote on the resolution. Provided that, not less than one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board. Resolutions passed by circulation shall be noted at a subsequent duly convened meeting of the Board or the committee of the Board thereof, and be made part of the minutes of such meeting.

### **Acts of Board or committees of the Board valid notwithstanding defect in appointment**

116. No act done by a person as a Director shall be deemed to be invalid, notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in the Act or in these Articles.

Provided that nothing in this Article shall be deemed to give validity to any act done by a Director, after his appointment has been noticed by the Company to be invalid or to have terminated.



### **Minutes of proceedings of meetings of the Board**

117. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and of every committee of the Board to be in accordance with the provisions of the Act and the Secretarial Standards with respect to the Board meetings as specified by the Institute of Company Secretaries of India from time to time.
- (2) Minutes kept in accordance with the provisions of the Act, the rules made thereunder and the Secretarial Standards with respect to the Board meetings as specified by the Institute of Company Secretaries of India from time to time shall be evidence of the proceedings recorded therein.

### **CHAPTER XIII - POWERS OF DIRECTORS**

118. Subject to the provisions of the Act, the Board shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do.

Provided that the Board shall not exercise any power to do any act or thing which is directed or required, by any Act or by the Memorandum or Articles of the Company or otherwise, to be exercised or done by the Company in General Meeting.

Provided further that in exercising, any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or Articles of the Company.

Provided that the Board shall not, except with the consent of the Company in General Meeting and subject to these Articles:-

- (a) Sell, lease or otherwise dispose of the whole, or 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 undertakings;
- (b) Invest, otherwise than in trust securities, the amount of compensation received by the Company as a result of any merger or amalgamation;
- (c) Borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the Paid up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;

- (d) Remit, or give time for the repayment of any debt due by a Director;
- (e) Contribute to bona fide and charitable and other funds.,

Provided that the acceptance by the Company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the Company.

Further, every Special Resolution passed by the Company in a General Meeting in relation to the exercise of the powers referred to in Article 118(d) shall specify the total amount up to which monies may be borrowed by the Board.

**Explanation:-**

- (a) The expression “temporary loans” means loans repayable on demand or within six months from the date of the loan such as short term, cash credit arrangements, the discounting of bills and issue of other short term loans of a seasonal nature, but does not include loans raised for the purpose of financing expenditure of capital nature.
- (b) Contribute to bona fide charitable and other funds: Provided that prior permission of the Company in General Meeting shall be required for such contribution in case any amount exceeds the threshold prescribed under the Act.

Provided further that the powers specified hereinabove shall, subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated.

**Certain powers of the Board**

- 119. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred on the Board by the Act and these Articles, but subject to the restrictions contained in these Articles including the last preceding Article, it is hereby declared that the powers of the Directors shall also include the following powers in accordance with applicable laws:

**To pay costs of incorporation**

- (a) to pay the costs, charges and expenses preliminary and incidental to the incorporation, promotion, establishment and registration of the Company;

**To acquire any property, rights, etc.**

- (b) to purchase or otherwise acquire for the Company any property, rights or

privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

**To pay commission or Interest lawfully payable**

- (c) to pay and charge to the capital account of the Company any commission or interest lawfully payable under the provisions of the Act;

**To pay for property**

- (d) at their discretion, and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partly, in cash or in Shares, stock, bonds, debentures, debenture-stock, mortgages 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, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled Capital or not so charged;

**To secure contracts by mortgage**

- (e) to secure, if any, to the extent permissible under the Act the fulfillment of any contract or engagements entered into by the Company by mortgage or charge of all or any of

the property of the Company and its cancelled Capital for the time being or in such manner as the Directors may think fit;

**To accept surrender of Shares**

- (f) to accept from any member, so far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;

**To appoint trustees for the Company**

- (g) to appoint any person 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 deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;

**To conduct legal proceedings**

- (h) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or its other employees or otherwise concerning the affairs of

the Company, and also to compound and allow time for payment on satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and to observe and perform any awards made thereon;

**To give guarantees and Indemnities**

- (i) Subject to the provisions of the Act, to give in the name and on behalf of the Company such indemnities and guarantees as may be necessary;

**All matters relating to insolvents**

- (j) to act on behalf of the Company in all matters relating to bankrupts and insolvents;

**To issue receipts & to give discharge**

- (k) to make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.

**To Invest money of the Company**

- (l) Subject to the provisions of the Act, to invest and deal with any moneys of the Company upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and, from time to time, vary or realise such investments. Save as provided in the Act, all investments shall be made and held in the Company's own name;

**To give security by way of indemnity**

- (m) 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 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, provisions, covenants and agreements as shall be agreed upon;

**To determine signing powers**

- (n) 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, instruments and documents, and general correspondence, and to give the necessary authority for such purpose;

**To provide for provident fund, gratuity, etc. to employees**

- (o) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and other Persons who are or were working for the Company deputed or seconded by any other organization and the wives, widows and families or the dependents or connections of such Persons by building or contributing to the building of houses, dwellings, or by grants of money, pensions, gratuities, bonus,

allowances or other payments; or by creating and from time to time subscribing or contributing to provident fund, including acceptance of transfer of money or from any other provident fund and any superannuation fund for being credited to the relevant fund created by the Company and to other associations, institutions, funds or trusts including any research and development organisation, training schools, by providing or subscribing or contributing towards research and development centers and places of instructions 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 or to guarantee money to charitable, benevolent, religious, scientific, educational, cultural, social and other institutions for objects which shall have any moral or other claims to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

**To provide for reserve funds, etc.**

- (p) (i) before recommending any dividend, to set aside, out of the profits of the Company such sums as they may think proper for depreciation or the depreciation fund, or to an insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company, and for such other purposes (including the purposes referred to in the preceding clause) as the Directors may, in their absolute discretion, think as being conducive to the interests of the Company; and subject to provisions of the Act, to invest the several sums so set aside or so much thereof as requires to be invested, upon such investments (other than Shares of this Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of 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, in their absolute discretion, think conducive to the interest 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

- (ii) to divide any reserve fund into such special funds as the Directors may think fit, with full power to transfer the whole or any portion of such reserve fund or division of such reserve fund to any other fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock, and that without being bound to keep the same separate from the other assets, and without being bound to pay interest on the same, with power however to the Directors at their discretion to pay or allow to the credit of such funds interest at such rate as the Directors may think proper;

**To distribute among the staff the profits of the Company**

- (q) to distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company, and to give to any Director, officer or other person employed by or working for the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company

**To appoint and remove officers and other employees**

- (r) to appoint, and at their discretion, remove, or suspend any general manager, chief accountant, managers, secretaries, officers, assistants, supervisors, clerks, agents and other 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 to require security in such instances and for such amounts as they may think fit;

**To affect contracts etc.**

- (s) to effect, make and enter into, on behalf of the Company, all transactions, agreements and other contracts within the scope of the business of the Company;

**To arrange for management of offices**

- (t) from time to time, and at any time, to make such arrangements as the Directors may consider appropriate for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person/s to be in charges of such offices;

**Delegation of powers**

- (u) subject to provisions of the Act, from time to time, and at any time to appoint any person and to delegate to any person so appointed, any of the powers, authorities and discretions for the time being vested in the Directors; and to authorise any person to fill up any vacancies therein and to act notwithstanding vacancies; and 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;

**To appoint attorneys**

- (v) At any time, and from time to time, by power of attorney to appoint any person or Persons to be the attorney or attorneys 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 subject to the provisions of the Act 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 any person or in favour of any company, or the shareholders, Directors, nominees or managers of any company or firm or otherwise in favour 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 powers for the protection or convenience of Persons dealing with such attorneys as the Directors may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;

**To enter into contracts**

- (w) subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;
- (x) to purchase or otherwise acquire or obtain licence for the use of, and to sell, exchange or grant licence for the use of any trade mark, patent, invention or technical know-how;
- (y) to undertake on behalf of the Company and payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company, and to purchase the reversion or reversions, and otherwise to acquire the fee simple of all or any of the lands of the Company for the time being held under lease or for an estate less than free-hold estate;
- (z) to improve, manage, develop, exchange, lease, sell, re-sell and re-purchase, dispose of, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company has or may have interest;
- (za) to let, sell or otherwise dispose of, subject to the provisions of the Act any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and accept payments of satisfaction for the same in cash or otherwise as they think fit; and

- (zb) from time to time to make, vary and repeal any bye-laws regulations and other rules guidelines or instructions for regulating the business of the Company, its officials the employees and other Persons having dealings with the Company

**CHAPTER XIV - Chairman, Managing Director, Manager, other Whole-Time Directors and Chief Executive Officer**

**Appointment of Chairman, Managing Director, Manager, Whole-Time Directors and Chief Executive Officer**

120. (1) The Board shall, subject to its obtaining approvals, of Regulatory Agencies, as may be applicable, which are required under any law for the time being in force, and subject to the other provisions of these Articles, appoint and re-appoint from time to time the Managing Director, Manager, Whole Time Director or Chief Executive Officer.
- (2) The Whole Time Director, Managing Director, Manager or Chief Executive Officer of the Company, shall, subject to the superintendence, control and direction of the Board and the other provisions of these Articles, be in the charge of the management of the affairs of the Company as may be decided by the Board from time to time.
- (3) The Managing Director, Manager, Whole Time/Executive/Joint/Deputy Managing Director(s), Chief Executive Officer, if any, may be paid such remuneration comprising of pay and allowance as may be approved by the Board in accordance with the Act and the approval of the concerned Regulatory Agencies, as may be applicable.
- (4) The Managing Director, Manager, Whole-Time/Executive/Joint/Deputy Managing Director(s), and/ or Chief Executive Officer, if any, shall be in the whole-time employment of the Company and shall be appointed for such period, not exceeding five years, as the Board of Directors may fix, but shall, subject to the provisions of the Act and these Articles, be eligible for re-election or re-appointment.
- Provided that no re-appointment shall be made earlier than one year before the expiry of the term of such Managing Director/Whole-time/Executive/Joint Deputy Managing Director(s).
- Provided that, subject to the terms of his employment, nothing in this Clause shall be construed as prohibiting the Managing Director and also Whole-Time / Executive / Joint / Deputy Managing Director(s), Chief Executive Officer, if any, from being a Director of any subsidiary or group companies.
- (5) The Chairman shall preside over all the General Meetings and all the meetings of the Board and also attend to the Board matters.
- (6) As prescribed under the Act, a person shall be disqualified for being appointed as the Whole Time Director/ Managing Director/Manager if he –
- (a) is below the age of twenty-one years or has attained the age of seventy years: Provided that appointment of a person who has attained the age of seventy years may be made



by passing a resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

- (b) is an undischarged insolvent or has at any time been adjudged as an insolvent;
- (c) has at any time suspended payment to his creditors or makes, or has any time made, a composition with them; or
- (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.
- (7) The Managing Director, Manager, Whole Time Director or Chief Executive Officer may, by writing under his hand addressed to the Company, resign his office, subject to the terms of his employment.

#### **Casual or temporary vacancy of Managing Director, Manager, Whole Time Director or Chief Executive Officer**

121. Where a person appointed as Managing Director, Manager, Whole Time Director or Chief Executive Officer dies or resigns or is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his office, the Company may fill such vacancy within the time frame prescribed under the Act and other applicable laws.

#### **CHAPTER XV – SECRETARY OR CHIEF FINANCIAL OFFICER**

122. Subject to the provisions of the Act, the Secretary or Chief Financial Officer may be appointed by the Board, by passing a resolution at its meeting, for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary or Chief Financial Officer so appointed may be removed in such manner as prescribed under the provisions of the Act.

#### **CHAPTER XVI - RESERVE FUND**

##### **Reserve Fund**

123. If applicable, the Company shall be authorised to create a reserve fund and shall out of the balance of profit of each year as disclosed in the profit and loss account and before any dividend is declared, transfer to the reserve fund equivalent to not less than such a percentage of such profit as may be prescribed under the applicable laws.

## CHAPTER XVII - DIVIDENDS

### **Division of Profits**

124. The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum of these Articles 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 held by them respectively. Provided always that (subject at aforesaid) any Capital paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount to such Dividend as from the date of payment.

### **Capital paid-up in advance at interest not to earn Dividend**

125. Where Capital is paid-up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest, confer a right to participate in profits.

### **Dividend in proportion to amount paid-up**

126. The Company may pay Dividend in proportion to the amount paid-up or credited as paid-up on each Share, where a larger amount is paid-up or credited as paid-up on some Shares than on others.

### **Declaration of Dividend and writing off capitalised expenses**

127. (1) The Company before declaring any dividend on its Shares for each Financial Year may transfer to Reserve Fund an amount specified in these Articles and required by or under any directions issued under the Act or any other applicable laws and shall also completely write off all its capitalized expenses (including preliminary expenses, share selling commission, brokerage, amount of losses incurred and any other item of the expenditure not represented by Tangible asset.).

### **Power to declare Dividend without writing off**

- (2) Provided however that the Company may pay Dividends on its Shares without writing off:-
- (i) the depreciation, if any, in the values of its investments in approved securities in any case where such depreciation has not actually been capitalised or otherwise accounted for as a loss;
  - (ii) the depreciation, if any, in the value of its investments in Shares, debentures, or bonds (other than approved securities) in any case where adequate provision for such depreciation has been made to the satisfaction of the Company; and
  - (iii) the bad debts, if any, in any case where adequate provision for such debts has been made to the satisfaction of the auditors of the Company;

### **The Company in General Meeting may declare a Dividend**

128. The Company in General Meeting may, subject to the provisions of the Act and these Articles, declare a Dividend to be paid to the Members according to their respective rights and interests in the profits and subject to the provisions of the Act, fix the time for payment. When a Dividend has been so declared, the warrant in respect thereof shall be posted within thirty days from the date of the declaration to the shareholders entitled to the payment of the same.

### **Power of Directors to limit Dividend**

129. No larger Dividend shall be declared than what is recommended by the Directors but the Company in General Meeting may declare a smaller Dividend. Subject to the provisions of the Act, no Dividend shall be payable except out of the profits of the year or any other undistributed profits and no Dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

### **Interim Dividend**

130. Subject to the provisions of the Act, and these Articles, the Directors may, from time to time, pay to the Members such interim Dividend as in their judgement the position of the Company justifies.

### **Retention of Dividends until completion of transfer**

131. Where any instrument of transfer of Shares has been delivered to the Company for registration and the transfer of such Shares has not been registered by the Company, it shall, subject to provisions of the Act—
- (a) transfer the Dividend in relation to such Shares to the Unpaid Dividend Account referred to in the Act unless the Company is authorised by the registered holder of such Shares in writing to pay such Dividend to the transferee specified in such instrument of transfer; and
  - (b) keep in abeyance in relation to such Shares, any offer of rights Shares under clause (a) of Section 62 of the Act and any issue of fully paid-up bonus Shares in pursuance of first proviso to sub-section (5) of Section 123 of the Act.

### **No member to receive Dividend whilst indebted to the Company & Company's right of reimbursement thereof**

132. Subject to the provisions of the Act, 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 and the Directors may deduct from the interest or Dividend payable to any Member all sums of money so due from him to the Company.

### **Transfer of Shares must be registered**

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

### **Dividend, how remitted**

134. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost by the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

### **Unclaimed Dividend**

135. (1) Any unpaid or unclaimed Dividend shall be forfeited by the Company only in accordance with the Act.

### **Dividend and call together and set off allowed**

136. Any General Meeting declaring a Dividend may make a call on the Members for 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.

## **CHAPTER XVIII- CAPITALISATION**

### **Capitalisation**

137. (1) Any General Meeting may resolve that any amounts standing to the credit of the share premium account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and, where permitted by Law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other Fund of the Company or in the hand of the Company and available for Dividend be capitalised:-
- (a) by issue and distribution as fully paid-up of Shares, debentures, debenture-stock, bonds or other obligations of the Company; or
  - (b) by crediting Shares of the Company which may have been issued and are not fully paid-up, with whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the Share premium account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of Capital on Shares of the Company to be issued to Members (as herein provided) as fully paid bonus Shares.

- (2) Such issue and distribution under (1) (a) above and such payment to credit of unpaid Share Capital under (1) (b) above shall be made to, among and in favour of the Members

or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of Capital Paid up on the Shares held by them respectively in respect of which such distribution under (1)

(a) or payment under (1) (b) above shall be made on the footing that such members become entitled thereto as Capital.

- (3) The Directors shall give effect to any such resolution and apply with such portion of the profits, General Reserve, Reserve or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the Shares, debentures or debenture- stock, bonds or other obligations of the Company so distributed under (1) (a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the Shares which may have been issued and are not fully Paid up under (1) (b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such Members as aforesaid in full satisfaction of their interest in the said capitalised sum.
- (4) For the purpose of giving effect to any such Resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any Members on the footing of the value so fixed and may vest any such cash, Shares, debentures, debenture- stock, bonds or other obligations in trustees upon such trusts for the Persons entitled thereto as may seem expedient to the Directors and generally may take such arrangement for the acceptance, allotment and sale of such Shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.
- (5) When deemed requisite a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

#### **Capitalisation in respect of partly Paid up Shares**

138. Subject to the provisions of the Act and these Articles in cases where some of the Shares of the Company are fully paid and other are partly paid, only such capitalisation may be effected by the distribution of further Shares in respect of the fully paid Shares, and by crediting the partly paid Shares with the whole or part of the unpaid liability thereon and so that as between the holders of the fully paid Shares, and the partly paid Shares the sums so applied in the payment of such further Shares and in the extinguishment or diminution of the liability on the partly paid Shares shall be so applied pro-rata in proportion to the amount thereon already paid or credited as paid on the existing fully paid and partly paid Shares respectively.

### **CHAPTER XIX - BOOKS OF ACCOUNT TO BE KEPT**

#### **Books of Account to be kept**

139. (1) The Company shall prepare and keep at its Registered Office proper Books of Account

and other relevant books and papers and Financial Statements for every Financial Year which give a true and fair view of the state of the affairs of the Company, including that of its branch offices and explain the transactions effected both at the Registered Office and its branches and such books shall be kept in a manner as may be prescribed under applicable law.

Provided that all or any of the Books of Account as aforesaid and other relevant papers may be kept at such place in India as the Board so decides, and in that event 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) If the Company shall have a branch office, whether in or outside India, proper Books of Account and other books and papers relating to the transactions effected at that office shall be kept at that office and proper summarised returns shall be periodically sent by branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the main Books of Account and other books and papers of the Company are kept in terms of Article 139(1).
- (3) The Books of Account and other books and papers maintained by the Company within India shall be open to inspection at the Registered Office of the Company or such other place in India by any Director during business hours, and in case of financial information, if any, maintained outside India, copies of such financial information shall be maintained and produced for inspection by any Director, subject to conditions as may be prescribed under the Act. Provided that the inspection in respect of any Subsidiary of the Company shall be done only by the person authorized in this behalf by a resolution passed by the Board.

#### **Inspection by Members of Accounts and books of the Company**

140. The Board shall from time to time determine whether and to what extent and at what places and under what conditions or regulations the Books of Account and books and papers of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right to inspecting any account or book or document of the Company except as conferred by Law or authorised by the Directors or by the Company in a General Meeting.

#### **Financial Statements to be furnished to General Meeting**

141. The Board of Directors shall lay before each Annual General Meeting stand alone and consolidated Financial Statements, if any, of the Company prepared in the forms as set out under the Act. Provided that the Company shall also attach along with its Financial Statements, a separate statement containing the salient features of the Financial Statements of its Subsidiaries, if any, in a prescribed form.

#### **Authentication of the Financial Statements**

142. The Financial Statements of the Company, including the consolidated Financial Statements, if any, shall be signed on behalf of the Board of Directors by the chairperson of the Company where he is authorised by the Board or by any two Directors out of which one shall be

managing director and the Chief Executive Officer, if he is a director in the Company, the Chief Financial Officer and the Company Secretary of the Company, if any.

#### **Auditors' Report to be attached to the Balance sheet**

143. The Auditors' report shall be attached to every Financial Statement.

#### **Boards' Report to be attached to Balance Sheet**

144. (1) Every Financial Statement of the Company laid before the Company in General Meeting shall have attached to it a report by the Board which should include the matters as specified in Section 134(3) of the Act.
- (2) The Board's report shall be prepared based on the stand alone Financial Statements of the Company and the report shall contain a separate section wherein a report on the performance and financial position of each of the Subsidiaries, associates and joint ventures companies if any, included in the consolidated Financial Statements is presented.
- (3) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised, shall be signed by at least two Directors, one of whom shall be a Managing Director where there is one.
- (4) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clauses (1) to (2) of this Article are complied with.

### **CHAPTER XX - AUDIT**

#### **Financial Statements to be Audited**

145. Every Financial Statement of the Company shall be audited by one or more Auditors to be appointed as required by the Act.

#### **Appointment of Auditors**

146. (1) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditor by the members of the company at such meeting shall be such as may be prescribed .

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him in the manner prescribed under the Act that the appointment, if made, shall be in accordance with the conditions as may be prescribed, shall be obtained from the auditor.

Provided further that the Company shall inform the Auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within the time prescribed under the Act.

- (2) At any Annual General Meeting a retiring Auditor, by whatsoever authority appointed, shall be re-appointed, 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 Special 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) 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.
- (4) Special notice shall be required for a resolution at an Annual General Meeting appointing as auditor a person other than a retiring auditor, or providing expressly that a retiring auditor shall not be re-appointed, except where the retiring auditor has completed a consecutive tenure of five years or, as the case may be, ten years, as provided under sub-section (2) of Section 139 of the Act.
- (5) All the other provisions of the Act relating to the appointment and removal of the auditors shall apply in this matter.

#### **Audit of Branch Office**

147. The Company shall comply with the branch provisions of the Act in relation to the Audit of the accounts of offices of the Company except to the extent to which any exemption may be granted by the Central Government in that behalf.

#### **Remuneration of the Auditors**

148. The remuneration of the Auditors of the Company shall be fixed by the Company in the General Meeting or in such manner as may be determined therein. The remuneration shall, in addition to the fee payable to the Auditor, include the expenses, if any, incurred by the Auditor in connection with the audit of the Company and any facility extended to him does not include any remuneration paid to him for any other service rendered by him at the request of the Company.



149. (1) Every Auditor of the Company shall have the right of access at all times to the books and vouchers of the Company, whether kept at the Registered Office or at any other place and shall be entitled to require from the officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditors.
- (2) All Notices of and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company; and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
- (3) The Auditor shall make a Report to the Members of the Company on the accounts examined by him and on every Financial Statements which are required by or under the Act to be laid before the Company in General Meeting and the report shall after taking into account the information as specified under the Act, and to the best of his information and knowledge, the said accounts, Financial Statements give a true and fair view of the state of the Company's affairs as at the end of its Financial Year and profit or loss and cash flow for the year and such other matters as may be prescribed.
150. In addition to the matters which under the preceding Article the auditor is required to state in his report, he shall also state in his report, including, among other matters:
- (a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the Financial Statements;
  - (b) whether, in his opinion, proper Books of Account 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 branches not visited by him;
  - (c) whether the report on the accounts of any branch office of the Company audited by a person other than the Company's Auditor has been sent to him and the manner in which he has dealt with it in preparing his report;
  - (d) whether the Company's balance sheet and profit and loss account dealt with in the report are in agreement with the Books of Account and returns;
  - (e) whether, in his opinion, the Financial Statements comply with the accounting standards;
  - (f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the Company;
  - (g) whether any Director is disqualified from being appointed as a Director under Section 164(2) of the Act;
  - (h) any qualification, reservation or adverse remark relating to the maintenance of

accounts and other matters connected therewith;

- (i) whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
  - (j) Whether the Company has disclosed the impact, if any, of pending litigations on its financial position in the Financial Statements;
  - (k) Whether the Company has made provision, as required under law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - (l) Whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - (m) whether or not the information and explanation required by him have been found to be satisfactory;
  - (n) whether or not the transactions of the Company which have come to his notice have been within the powers of the Company;
  - (o) whether or not the returns received from branch offices of the Company have been found adequate for the purposes of his audit;
  - (p) whether the profit and loss account shows a true balance (profit and loss) for the period covered by such account;
  - (q) any other matter, which he considers should be brought to the notice of the shareholders of the Company; and
  - (r) such other matters as may be prescribed under applicable law.
151. Where any of the matters required to be included in the audit report as referred to in the Act hereof is answered in the negative or with a qualification, the report shall state the reasons thereof.
152. The Accounts of the Company shall not be deemed as not having been, and the Auditor's Report shall not state that those accounts have not been, properly drawn up on the ground merely that the Company has not disclosed certain matter if :-
- (a) Those matters are such as the Company is not required to disclose by virtue of any provisions contained in the Act or other applicable laws, for time being in force, and
  - (b) Those provisions are specified in the Balance Sheet and Profit and Loss Account of the Company.

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

153. 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 or to give effect to legal requirements of any Law. Whenever any such error is discovered within that period, the account shall forthwith be corrected or revised, and thenceforth shall be conclusive.

## **CHAPTER XXI - DOCUMENTS AND SERVICE OF DOCUMENTS**

### **How documents to be served on members**

154. (1)(a) A document (which expression for the purposes of these presents, shall be deemed to include and shall include any summon, notice, requisition, process, order, judgment or any other document in relation to or in the winding up of the Company) may be given by the Company to any Member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic means or other mode as prescribed in the Act.
- (b) Where a Member has intimated to the Company- in advance that documents and/or notice should be sent to him through a particular mode and has deposited with the Company- a sum as determined by the Company in its Annual General Meeting, no service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Member.

### **Service on members having no registered address**

155. If a Member has no registered address in India and has not supplied to the Company any address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

### **Service on Persons acquiring Shares on death or insolvency of member**

156. A document may be given by the Company to the Persons entitled to a Share in consequence of the death or insolvency of a Member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic means or other modes as prescribed under the Act, and addressed to them by name or by the 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 document in any manner in which he might have been given if the death or insolvency had not occurred.

### **Persons entitled to notice of General Meeting**

157. Subject to the provisions of the Act and these Articles notice of General Meetings shall be given in any manner hereinbefore authorized to:
- (i) every Member of the Company, legal representative of any deceased Member or the assignee of an insolvent member;
  - (ii) the Auditor or Auditors of the Company; and

- (iii) every Director of the Company.

#### **Advertisement**

158. Subject to the provisions of the Act or other applicable laws for time being in force, any document required to be served or sent by the Company on or to the Members, or any of them, and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised once in one daily English and one daily newspaper in regional language circulating in the State in which the Company's Registered Office is situated.

#### **Members bound by document given to previous holders**

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

#### **Notice valid**

160. Subject to the provisions of the Act and these Articles, any notice or document given in pursuance of these Articles or document delivered or sent by registered post or speed post or by courier service or left at the registered office of any Member or at the address given by him in pursuance of these presents or by means of such electronic or other mode as may be prescribed under the Act, shall notwithstanding such Member be then deceased and whether or not the company have notice of his decease, be deemed to have been duly served in respect of any registered Share whether held solely or jointly with other Persons by such Member until some other person be registered in his stead as the holder or joint holder thereof and such service shall, for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all Persons, if any, jointly interested with him or her in any such Share.

#### **Notice by Company and signature thereto**

161. Any notice to be given by the Company shall be signed by the Secretary (if any) or by such Officer as the Director may appoint and such signature may be written, printed or lithographed.

#### **Service of notice by Members**

162. All notices to be given on the part of Members to the Company shall be left at or sent by registered post to the Registered Office of the Company.

### **CHAPTER XXII - AUTHENTICATION OF DOCUMENTS**

#### **Authentication of documents and proceedings**

163. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, Chairman, Whole-time Director or an authorised officer of the Company.

## **CHAPTER XXIII - WINDING UP**

164. For winding up of the Company the provisions, contained in Insolvency and Bankruptcy Code, 2016 and the provisions of the Act, as the case may be, shall apply.

### **Distribution of assets**

165. 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, 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 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.

## **CHAPTER XXIV - SECRECY CLAUSE**

166. No Member shall be entitled to visit inspect the Company's office without the permission of the Directors or the Managing Director or the Chief Executive Officer to require, discover or any information respecting any detail of the Company's business or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the Managing Director it will be inexpedient in the interest of the Members of the Company to communicate to the public.

## **CHAPTER XXV - INDEMNITY AND RESPONSIBILITY**

### **Directors' and others' right to indemnity**

167. (a) Subject to the provisions of the Act every Managing Director, Chief Executive Officer, Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company and it shall be the duty of the Directors to pay out of the funds of the Company all costs, losses and expenses (including travelling expenses) which any such Managing Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, officer or servant or in any way in the discharge of his duties.
- (b) Subject as aforesaid every Director, Managing Director, Chief Executive Officer, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by him in which judgement is given in his favour or in which he is acquitted or in connection with any application under provisions of the Act in which relief is given to him by the Court.

### **Not responsible for acts of others**

168. Subject to the provisions of the Act no Director, Managing Director, Chief Executive Officer Whole-time Director, or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company through insufficiency or deficiency of 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 damages arising from the bankruptcy, insolvency, or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

**Declaration of fidelity and secrecy**

169. Every Director, Officer and other employee of the Company shall before entering upon his duties sign a declaration in such form as the Directors may from time to time direct.

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