

**MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**SARTHAK INDUSTRIES LIMITED**

No.L 24111 MH 2002 PLC 196634.

[ Section 18(3) of the Companies Act, 1956.]

**CERTIFICATE OF REGISTRATION OF THE ORDER OF COMPANY  
LAW BOARD CONFIRMING TRANSFER OF THE REGISTERED  
OFFICE FROM ONE STATE TO ANOTHER**

The Sarthak Industries Limited having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the State of Madhya Pradesh to the State of Maharashtra and such alteration having been confirmed by an order of the Company Law Board, Western Region Bench, Mumbai bearing date the 13th day of June, 2002.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Mumbai this Fourteenth day of August, 2002.



*B. Chandra*  
(B. CHANDRA)  
DY. REGISTRAR OF COMPANIES,  
MAHARASHTRA, MUMBAI.



सत्यमेव जयते

# FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME

Company Regn. No. 16- 2108

In the Office of the Registrar of Companies, Madhya Pradesh & Chhattisgarh  
In the matter of Avanti LPG (India) Limited

I here by approve and signify in writing under Section 21 of The Companies Act, 1956 (Act. I of 1956) read with the Government of India, Department of Company Affairs, Notification No G. S. R. 507 E, dated the 24th June, 1988 change of name of the company from Avanti LPG (India) Limited to Avanti Industries Limited and

I hereby certify that Avanti LPG (India) Limited which was originally incorporated on 23.12.32 under The Companies Act, 1956 under the name Malay Metals Private Limited having duly passed the necessary resolution in terms of Section 21/22 (1) (a)/22 (1) (b) of The Companies Act, 1956 the name of the said company is this day changed to AVANTI INDUSTRIES LIMITED and this certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at GWALIOR this Fourth day of January Two Thousand Two



( B. K. ... )  
Registrar of Companies  
Madhya Pradesh & Chhattisgarh  
गुणगुणी रजिस्ट्रार  
मध्य प्रदेश & छत्तीसगढ़



Company No. 2108

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME

In the Office of the Registrar of Companies, Madhya Pradesh,

In the matter of MALAV METALS PRIVATE LIMITED

I hereby approve and signify in writing under section 21 of the Companies Act, 1956 (Act I of 1956) read with the Government of India, Department of Company Affairs, Notification No. G.S.R. 507 E Dated the 24th June, 1985 the change of name of the company from MALAV METALS PRIVATE LIMITED to AVANTI LPG (INDIA) LIMITED and

I hereby certify that MALAV METALS PRIVATE LIMITED which was originally incorporated on 23-12-82 under the Companies Act, 1956 and under the name MALAV METALS PRIVATE LIMITED having duly passed the necessary resolution in terms of Section 21/22(1) (a)/22(1) (b) of the C.A. 56 the name of the said company is this day changed to AVANTI LPG (INDIA) LIMITED and this certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at GWALIOR this Sixteenth day of December One thousand nine hundred Ninety Four.



Sd/-  
HAR LAL  
Registrar of Companies  
Madhya Pradesh, Gwalior



प्रारूप. आई. आर.  
Form I. R.

निगमन का प्रमाण-पत्र

## Certificate of Incorporation

ता. .... का सं .....

No. 2108 of 1982

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज मालवा मेटल्स प्रायवेट लिमिटेड कम्पनी अधिनियम, १९५६ (१९५६ का १) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that **MALAV METALS PRIVATE LIMITED** is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited by shares.

मेरे हस्ताक्षर से आज तारीख दो पौष शक उन्नीस सौ चार को दिया गया।

Given under my hand at Gwalior this **Twenty Third** day of **December** One thousand Nine Hundred and Eighty Two.



Sd/-  
( S. K. SAXENA )  
Registrar of Companies  
कम्पनियों का रजिस्ट्रार

Madhya Pradesh, Gwalior

THE COMPANIES ACT, 1956  
( A COMPANY LIMITED BY SHARES)  
MEMORANDUM OF ASSOCIATION  
OF  
SARTHAK INDUSTRIES LIMITED

- I. The Name of the Company is SARTHAK INDUSTRIES LIMITED.
- II. The Registered Office of the Company will be situated in the state of Maharashtra.
- III. The objects for which the Company is established are as under :
- (A) THE MAIN OBJECTS OF THE COMPANY TO BE PERSUED BY THE COMPANY ON ITS INCORPORATION ARE :**
- (1) To carry on the business of Manufacturers, Buyers, Sellers, Distributors, Suppliers, Dealers, Importers, Exporters, Designers, Fabricators and to Install, Erect, Commission, Service, Repair all kinds of gases, Gas Cylinders, L.P.G. Gas Cylinders, Cooking Gas Stoves, Petromax Cylinders, Gas Filling & Marketing thereof, Pressure Vessels, Pressure and Cylinder Valves. Heat Exchangers Coilers Storage Systems and Soils Handling, Conveying and Elevating Machineries including L.P.G. Tank, Lorries and Wagons and to Manufacture, Design of Fabrication Plant, Machineries, Equipments, Accessories, Systems used or Solvent Extractions Plants, Chemical Plants, Confectioneries. Flour Starch Mills and Vegetable Oil Mills.
- (2) To Manufacture, Sell, Purchase Re-sell, Import Export all types and sizes of Tubes, pipes including PVC Pipes, Cement Pipes, Fitting, Galvanized or Black Ferrous, Non-Ferrous Welded or Seamless or any other type, by any process and method whatsoever and to Manufacture for Sale or Own, Use Tube Mill Machinery's and Components and Equipments thereof, including Welding and other Transformers Electrodes, Motors, Air-compressors, Hydraulic Power units, Solenoid Valves Magnet Switches.
- (3) To Manufacture all type of steel, Pig Iron, Billets, Slabs, Sheets, Strips, Skelps, Rods, Bars, Plates, Sections and Shapes, Brass, Copper, Aluminium and other non-Ferrous Metal to Distill, Refine or Produce Zinc, Zinc Ash, Zinc Oxide. Zinc Chloride & to Undertake to Manufacture, Supply, Erect, Install, Tubular Structure and Furnitures, Transmission Towers, Tubular Poles, Pipe Lines, Portable Pipe, Aluminizing, Electroplating, Enameling and Painting job thereto.

**(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS :**

- (4) To develop, Design and act as consultants for the process and know-how required in the manufacture of Gas Cylinders Steel Material, Inorganic heavy and fine chemicals and in respect of all kinds of metallic items.
- (5) To buy, sell, produce, process, import, export, manufacture, market and deal with various industries intermediate and other chemicals from natural resources and modify and convert basic chemicals and products derived from basic raw materials such as fats, bones, oil seeds, groundnut, mustard, seed soyabeans and other natural products, animal derived fats and to deal with glucose, allmn, glycerin, fatty acids, calcium sulphates, magnesium sulphate, salts, potash, acids of different kinds and products extracted from vegetables and fast bones and natural resources.
- (6) To buy, sell, exchange, install, work, alter, improve, import or export and otherwise deal in plant, machinery, vehicles, apparatus, tools, utensils, substances, materials and things, necessary to conveniently carry on any of the business which the company is authorized to carry on or usually dealt in by persons engaged in such business.
- (7) To purchase or by other means acquire freehold, leasehold, or other property for any estate or interest whatsoever & any rights, privileges or easements over or in respect of any property 311d any legal or personal right whatsoever which may be necessary for or may be conveniently used with, or may enhance the value of any other property of the Company.
- (8) To insure any of the properties, undertakings, contracts, guarantees or obligations of the company of every nature and kind in any manner, whatsoever.
- (9) To carry on business as manufacturers of, dealers in all kinds of equipments, machinery, accessories, required to covert all classes and kinds of chemicals including laboratory 311d scientific chemicals, c11emicals of any nature used and capable of being used into pharmaceutical industry, into medicine and pharmaceutical products.
- (10) To Manufacture, produce, refine, process, formulate, buy, sell, export, import or otherwise deal in all classes and kinds of chemicals, including, without limiting the generality, of the foregollg, laboratory and scientific chemicals, chemicals of any nature used or capable of being used III pharmaceutical industry agriculture, chemicals, fertilizers, petrochemicals, industrial chemicals or any mixtures, derivatives and compounds thereof, pharmaceutical industry, into medicine 311d pharmaceutical products.

- (11) To carry on business as laboratory proprietors and to act as analytical and consulting chemists and to undertake analytical and research work of any kind.
- (12) To carry on any business which may seem to the Company capable of being conveniently carried on in connection with the main objects or calculated directly or indirectly, to enhance the value or render profitable any of the property or rights of the Company.
- (13) To purchase, take on lease or in exchange, hire or otherwise acquire, any movable or immovable property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business.
- (14) To build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, machinery engines, roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, wharves electric works and other works and conveniences which may directly or indirectly advance the interests of the Company and to join with any other person or company in doing any of these things.
- (15) To apply for purchases or otherwise acquire and protect and renew any patents, patent rights, inventions, trademarks, designs, licenses, concessions and the like, conferring exclusive or non-exclusive or limited rights to their use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company and to use, exercise, develop or grant licenses in respect of otherwise turn to account the property, rights or information so acquired and to spend money in experimenting upon, testing or improving any such patents, inventions or right.
- (16) To acquire and undertake the whole or any part of the business property or any liabilities of any person, firm or company carrying on or proposing to carrying on any business, which the company is authorized to carry on or possessed of property suitable for the purpose of the Company or which can be carried on in conjunction therewith or which is capable or being conducted so as to directly or indirectly benefit the Company.
- (17) Subject to the provisions of Monopolies and Restrictive Trade Practices Act, 1969, to amalgamate, enter into partnership or into any arrangement for sharing profits, union of materials, co-operation, joint venture or reciprocal concession, or for limiting competition with any person or company carrying on or engaged in, or which can be carried on in conjunction therewith or which is capable of being conducted so as to directly or indirectly benefit the Company.



- (18) To enter into collaboration with foreign firms, companies or persons, on such terms and conditions including payment of royalty and exchange ratio as the Board of Directors may think fit.
- (19) To improve, manage, develop, grant rights or privileges in respect of or otherwise deal with, all or any part of the property and rights of the Company.
- (20) Subject to the provisions of the Act, to vest any movable or immovable property, rights or interest acquired by, received or belonging to the company, in any person or persons or company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
- (21) To invest and deal with the moneys and other assets of the Company, not immediately required in any manner.
- (22) To lend and advances money or give credit to such persons, companies, corporations or firms and on such terms, as may seem expedient and in particular, to customers and other's having dealings with the company and to release or discharge any debt or obligation owing to the company.
- (23) To give guarantee or provide security to secure the repayment of any money borrowed by the Company or borrowed by any other body Corporate or firm or association of persons or others and to create hypothecation or lien or mortgage upon all or any of the property or assets of the company, both present and future, including its uncalled capital to secure the repayment of the said money borrowed by the Company or borrowed by any other body Corporate or firm or association of persons or others. Also guarantee the performance of any contract or obligation of any company, firm or persons, and to guarantee the payment and repayment of the capital and principal of dividend, interest or premium payable in respect of any stock, shares and securities, debentures, debenture-stock, mortgages loan or other securities issued by any company, corporation, firm or person including bank overdrafts, bills of exchange and promissory notes.

*(Special Resolution passed by members by way of postal ballot on June 17, 2017)*

- (24) Subject to the provisions of section 58A of the Companies Act, 1956 and the Rules made thereunder, to receive money on deposit or loan and borrow or raise money, in such manner as the Company shall think fit and in particular, by the issue of debentures, debenture stock, perpetual or otherwise and to secure the repayment of any money borrowed, raised or owing by mortgage charge on lien upon all or any of the property its assets of the company, both present and future, including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company as the case may be.

- (25) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, warrants, debentures and other negotiable or transferable instruments.
- (26) To apply for, promote and obtain any Act of legislature charter, privilege, concession, license or authorization of any government, state or other authority for enabling the Company to carry any of its objects into effect or for extending any of the powers of the company for effecting any modification of the constitution of the company or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.
- (27) To enter into any arrangement with any governments or authorities of any person or company that may seem conducive to the objects of the Company or any of them and to obtain from any such government authority, person or company any rights, privileges, charters, contracts, licenses and concessions which the Company may think it desirable to obtain and to carry out and exercise and comply therewith.
- (28) To pay out of the funds of the company all expenses which the company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital including brokerage and commission for obtaining applications, for or taking, placing or underwriting or procuring the underwriting of share debentures or other securities of the Company.
- (29) To pay for any rights or property acquired by the Company and to remunerate any person or company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
- (30) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation, provident or gratuity funds for the benefit of and give or procure, the giving of the donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or of any company which is a subsidiary of the company or is allied to or associated with the Company or with any such subsidiary company or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid and the wives, widows, families and dependents of any such persons and also to establish and subsidize and subscribed to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well being of the Company or of and such other company as aforesaid and make payments to or towards the insurance of any such persons as aforesaid and do any of the matters aforesaid, either alone or in conjunctions with any such other company as aforesaid.

- (31) To procure the company to be registered, incorporated or recognized in or under the laws of any place outside India and to do all acts necessary for carrying on in any foreign country any business or profession of the company.
- (32) To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the company for any other property, which may seem, directly or indirectly calculated to benefit the company, to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or securities of any such other company.
- (33) To sell, lease, mortgage, exchange, grant licenses and other rights over, improve, manage, develop and turn to account and in any other manner, deal with or dispose off the undertaking, investments, property, assets, rights and effect of the company and any part thereof for such consideration as may be thought fit and in particular, any shares, stocks, debentures or other securities of any other company whether or not having object together or in part similar to those of the company.
- (34) To distribute among the members in specie, any property of or any proceeds of, sales or disposal of any property of the company, subject to the provision of the companies act, 1956.
- (35) To act as agents or brokers or as trustees for any person or company and to undertake and perform sub-contract and to do all or any of the above things; in any part of the world and either as principals, agents, trustees, contractors or other wise and either alone or jointly with others and either by or through agents or contracts, sub contractors, trustees or otherwise.
- (36) To appoint engineers, contractors, managers, brokers, underwriters, canvassers, agents and other person and to establish and maintain agencies or branches in any part of India or elsewhere for the company and to discharge and to discontinue the same.
- (37) To become member of any other body of persons, associations, institutions, clubs, societies and body-corporate including companies limited by guarantee.
- (38) To accept gifts, bequests, devices or donations of any movable or immovable property or any rights or interest from members or others.
- (39) To lend money with or without security and to make advances or to act as agents, for any of the aforesaid purposes, so however that the company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.

- (40) To employ agents or experts to investigate and examine the condition, prospects, value character and circumstances of any business concerns and undertakings and generally of any assets, properties or rights.
- (41) To subscribe, contribute, gift or donate any money rights or assets for any national, educational, religious, charitable, scientific, general or useful objects or to make gifts or donations of money or other assets to any institutions, clubs, societies, associations, trusts, scientific research associations, funds, universities, colleges or any individual or bodies of individuals or bodies corporate.
- (42) To open bank account of any type including overdraft account and to operate the same in the ordinary course of business.
- (43) To undertake or promote scientific research related to any business or class of business or class of business in which the company is interested.
- (44) To take part in the formation, management, supervision or control of the business or operations of any company or undertaking and for that purpose, to act as administrators, receiver or in other capacity, as far as, permitted by law and to appoint and remunerate any director, administrator, manager and accountant or other expert or agent.
- (45) To remunerate any person, firm or company for services rendered or to be in or about the formation or promotion of the company or the conduct of its business.
- (46) To train or pay for training in India or abroad for any of the company's employees or any candidate in the interest or for furtherance of the company's objects.
- (47) To spend money on experimenting upon and testing and improving or securing any process, patents or protecting any invention or inventions which the company may acquire or propose to acquire or deal with.
- (48) To acquire the receipts and full information as to the processing of manufacturing and the right to manufacture and deal in pharmaceutical and medicinal preparations of all kinds.
- (49) To establish research laboratories and conduct or otherwise subsidize research laboratories and experimental workshops for scientific and technical research and experiments and to undertake any carry on with all scientific and technical, research, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigations and inventions by providing, subsidizing, endowing and assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the award of exhibitions, scholarship, prizes and grants to students of otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments,

tests and inventions of any kind that may be considered or likely to assist any of the business which the company is authorized to carry on.

(50) To do all such things as may be considered incidental or conducive to the attainment of the above objects.

**(C) OTHER OBJECTS : Not included in object "A" and "B" above are :**

(51) To carry on business as manufactures of and dealers in, food for infants and invalids, dietetic foods, cereals and foodstuffs of all descriptions for human and animal use; tonics, beverages and other restoratives or foods, suitable or deemed to be suitable for invalids and convalescents and or for the general public.

(52) To carry on business as producers and manufactures of, and dealers in, and importers and exporters of dairy, farm and garden produce, provisions, stores and merchandise of all kinds and in particular milk, casein and its allied products, condensed milk preserved milk, dried milk, concentrated milk and all products and substance of any descriptions derived from the manipulation or treatment of milk in any manner, whatsoever, cream, butter, ghee, poultry, jam, eggs, fruit, vegetables, timber, salt, paper and packing materials.

(53) To carry on business as manufacturers of and dealers in all kinds of cosmetics, perfumes, and essences, dentrifices, lotions, extracts, greases, salves, ointments, pomades powders, unguents, toilet requisites and preparations, cleansing compounds, starch, soda, water softeners and all kinds of laundry and washing materials, detergents, glycerin, soap flavourings and all products and supplies in any manner used in, or incidental to the manufacture dealing or production of the same or any of them.

(54) To carry on the business of manufacturers of and dealers in disinfectants, vermifuges, fungicides, insecticides, pesticides and remedies of all kinds for agricultural, fruit growing or other purposes or as remedies for humans or animals & whether produced from vegetable or animal matter or by any chemical process.

(55) To carry on business as manufacturers of and dealers in chocolates, confectioneries, biscuits, chewing gum, tea, cocoa, coffee, sugar, food-stuffs, eatables and refreshments of all descriptions.

(56) To carry on business as manufacturers of and dealers in, dyes, dyestuffs, dyewares, gases, plaster of paris, gypsum, plasters, salts, acids, alkalis, tannins, essences, cordial oils, paints, colours, glues, gums, pasters, pigments varnishes organic or mineral intermediates compositions and laboratory reagents.

- (57) To buy, sell, manufacture, refine prepare and deal in all kinds of oils and oleaginous and saponaceous substances and all kinds of unguents and ingredients.
- (58) To carry on business, as manufacturers of and dealers in, paper of all kinds and packaging materials and articles made from paper or pulp or otherwise.
- (59) To carry on business, as manufacturers, importers, exports of and dealers in, scientific laboratory, technical, pharmaceutical, pressed glassware, kitchenware, bottled, flasks, stoppers, tumblers, mirrors and other varieties of glassware.
- (60) To build, construct, improve, maintain, develop, work, manage, carry out or control any buildings, factories or works or any roads, ways, warehouses and conveniences of all kinds and to contribute to, subsidies or otherwise assists or take part in the construction, improvement, maintenance, development, working, managements, carrying out or control thereof.
- (61) To carry on business as house, land and estate agents and to arrange or undertake the sale purchases of, advertise for sale, purchase, assists in selling or purchasing and find or introduce purchasers or vendors of and to manage land, building and other property, whether belonging to the company or not, to let any portion of any premises for residential, trade or business purposes, or other private or public purposes.
- (62) To underwrite shares, stocks, debentures or other securities and generally to do all kinds of financial business.
- (63) To subscribe for, take, acquire and hold, sell, exchange, transfer, negotiate, discharge or deal in shares, stocks, bonds, obligations of companies and to acquire or deal in Government promissory notes and other securities of central or state government or local authorities.
- (64) To carry on business as metallurgists, machinists, jobbers, annealers, welders and metal workers and merchants, generally and to buy, sell manufacture, repair, convert, alter, let and hire and deal in machinery, implements, rolling-stock metal furniture fittings, utensils, goods and hardware of all kinds.
- (65) To carry business as electro-platers, nickel-platers, chromium-platers, bronzers, oxidizers and metal plates, generally, painters, varnishers, lacquerers, enamellerers, polishers and anodisers.
- (66) To carry on business as importers, exporters, merchants and dealers of and in all ferrous and non-ferrous metals and their products and alloys, clinkers, ashes, machinery new or second hand, used tools, scrap metals

and metallic residues, engineering products and by-products and waste and scrap metals, materials and good of all kinds.

- (67) To clean, restore, manipulate and prepare for the markets and sell or otherwise deal with, waste metals and materials of any kinds and to recondition the same or make such other use of the same as may be thought fit.
- (68) To carry on business as manufacturers, producers, exporters, importers and dealers in metal and metalware of all kinds and iron-mongers and hardware dealers and to buy, sell, resell and deal in metal goods of all kinds and descriptions.
- (69) To carry on business relating to the winning and working of minerals, the production and working of metals and the production, manufacture and preparation of any other materials, which may be usefully or conveniently combined within engineering or manufacturing business of the company and either for the purpose only of such contractors or as an independent business.
- (70) To undertake and execute any contracts for works involving the supply or use of any machinery and to carry out any ancillary or other works comprised in such contracts.
- (71) To search for, win, get, raise, import, crush, manipulate and prepare for the market ores, coal, clay and minerals generally.
- (72) To carry on business of buying, selling and manufacturing and dealing in all kinds of plant, machinery, equipments, hardware, appliances, tool materials, scrap metals, metal residues, dross dust and by-products constructional work of every description and acquiring or working any licenses and the undertaking of any agency which the company can law fully undertake.
- (73) To carry on business of buying, selling, manufacturing, repairing, converting, altering, letting, taking on hire and dealing in machinery, implements, rolling-stock and hardware of all kinds.
- (74) To carry on business of manufacturers of and dealers in electrical and mechanical appliances, appature and things required in or capable of being used in connecting with the generations, accumulation, distribution, supply and employment of electricity or other energy for lighting, heating, sound and power or any of them.
- (75) To carry on business of builders and contractors, iron founders, steel makers, mechanical engineers and manufacturers of railway materials, tools, implements, machinery and metalware of every description, brass founders, metals workers millwrights, electrical engineers, ship, boat,

aircraft, carriage, motor and other vehicle builders and dealers and carriers or passengers, goods and merchandise.

- (76) To carry on business of iron-masters, steel converters, furnace makers, smelters, refiners, steel plate makers manufacturers of steel castings, boiler makers, plate makers, jappeners, wire drawers, pipe and tube factors, enamellers, electroplaters, galvanizers, annealers, welders, smiths, painters, wood-workers, water supply engineers, wire and nail makers, producers of ferrous and non-ferrous metal in all their respective branches.
- (77) To act as advertising, publicity, marketing and propaganda agents and adviser to manufacturers, traders and dealers and promote the sale of their products and services through various media and to carry out marketing services as commercial intelligence bureau for disseminating information which may help systematize marketing.
- (78) To carry on business as printers, publishers, stationers and to deal with all types of printing works including designing, block making, processing and other material capable of being used in the business of printing.
- (79) To carry on business as manufacturers, buyers, sellers and dealers in packing material of all kinds, including paper, board, glass, tin plastic, polystyrene, aluminium and polyglycine foils and laminated packing materials.
- (80) To engage in E-Commerce business comprising of hosting websites, development and marketing of Software and Hardware, network infrastructure, internet, commercialisation, network security, electronic commerce, consumer oriented electronic commerce, electronic receipt and payment system, interorganisational commerce and EDI, advertising and marketing, consumer research and resource activities, on demand education and digital copyrights and any other new opportunity that arises in e-commerce whether in India or abroad, with or without collaboration.
- (81) To carry on business in India or elsewhere to construct, build, establish, erect, promote, undertake, acquire, own, operate, transport, equip, manage, renovate, recondition, turn to account, maintain, keep and to run cold storage, storage chambers, storage tanks, storage terminals, ice plants, godowns, warehouses, refrigeration houses and freezing houses for storing, warehousing, keeping, preserving and commercialising all kind of vegetarian and non vegetarian, commodities, edible and non edible oils, all kind of hazardous chemicals, petroleum products, foods, crops and all kinds of storable commodities.
- (82) To Carry on business of manufacturer, trader, distributor, importers, exporters, commission agent, forwarding agent, and as seller / purchaser



of all kinds of Grains, Seeds, food products, pharmaceutical products, ayurvedic products, chemicals, timber products etc.

- (83) To, promote, encourage, establish, develop, maintain, organise, undertake manage, operate, conduct & run, to act as franchisee or to appoint franchisee or sub-franchisee in India or abroad computer software & hardware training centre, data processing centre, computer consultancy, manpower consultancy, software development/ consultancy & other allied activities for all sorts of services relating to computer, its maintenance, repairs, programs & operations..
- (84) To acquire the Membership of any Recognised Stock Exchange & Commodity Exchange functioning in India and abroad and to carry on business of futures contracts, forward contracts, options contracts, derivatives, commodity price and other index futures contracts, options in futures contracts in shares and commodities such as oil seeds, oils & oil cakes, grams, pulses, cereals and other agriculture produce and products manufactured out of them subject to the rules & regulation of the regulatory authority.
- (85) To Carry on business of manufacturer, trader, distributor, importers, exporters, commission agent, forwarding agent, marketing services and as seller / purchaser of all kinds of Coal, Solvents, Chemicals, Rice, Sugar, Pulses, Spices, Herbs, Minerals, Metals, Ores, Alloys, Industrial products and any other product etc.
- (86) To Carry on the business of builders, Land Developer, development of farm houses, constructions of Buildings & Bungalows, Hotels, Restaurant, resorts and other Hospitality business, Housing Development, Multistory Building, Duplexes, factory sheds and Buildings whether commercial or residential, engineers and contractors in all branches of constructions and to undertake, to execute and to carry out, either alone or jointly, with any other company or person. To purchase, take on lease or in exchange or otherwise acquire any lands with or without buildings or structures and any estate or interest and any right connected with any such land and / or buildings and structures and to develop, turn to account, lease, transfer, in whole or in part or dispose of in any manner the same as may deem expedient and in particular may by laying out and preparing the same for building purposes and / or with a view to form a colony or society with or without sanitary water, roads and lights, conveniences for residential, commercial and / or public utilities and by constructing, reconstructing, altering, pulling down, decorating, maintaining, furnishing, filling up and improving buildings, offices, flats, houses, factories, warehouses, shops, schools, colleges, mills, roads, drains, wells and by putting, paving, drawing, cultivating and letting the same in lease or building agreements and by advancing money and entering into contracts and arrangements with builders, tenants and others.

- (87) To Carry on business of manufacturer, refining (Atmospheric distillation/ Cracking/ reforming), exploration, extraction, trader, distributor, importers, exporters, commission agent, forwarding agent, and as seller / purchaser of Natural Gas, Petroleum products, and all activities related to same.
- (88) To carry on the business of purchase, erect or otherwise acquire, equip, develop, lease, operation run hotel or hotels, restaurants, resorts, recreational centers, amusement parks and other hospitality business in India or any other part of the world.
- (89) To carry on in India or any other part of the world the business of manufacturer, producers, exporters, importers and dealers in metals, minerals, precious and semi precious stones, gems and jewelry, iron ore, granite and marble mining and processing industry.
- (90) To carry on in India or any other part of the world the business of construction, development, operation and leasing of shopping complexes, malls, supermarkets etc.
- (91) To carry on in India or any other part of the world the business of development, operation and leasing of Special Economic Zones (SEZs), Software Technical Parks (STPs) and other special zones, parks or area declared by the Government or Semi-Government authorities for promotion and development of business.
- (92) To generate, develop, accumulate, distribute, buy, sale, transmit or otherwise deal in conventional and non-conventional sources of energy and to install and operate such power generation plants any where in India and abroad and to undertake all forms of construction activity for these purposes including Dams, Power houses, Roads and to undertake all types of water works and related activities for these purposes.

IV. The liability of the members is limited.

V<sup>1</sup> The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rs. Twenty Crores only) divided into 1,90,00,000/- (One Crore Ninety Lacs only) Equity Shares of Rs. 10/- (Rs. Ten only) each and 1,00,000 (One Lakh) Non-cumulative Redeemable Preference of Rs.100/- (Rs. One Hundred Only).

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<sup>1</sup>Substituted by the ordinary resolution passed by members in the Extra-ordinary General Meeting held on 10<sup>th</sup> December, 2022 for increase in Authorized Capital from Rs. 12,00,00,000 (Rs. Twelve Crore only) to Rs. 20,00,00,000 (Rs. Twenty Crore only).

**Sarthak Industries Limited**

Director/Authorised Signatory

JOGENDER MOHAN SHARMA  
Director (DIN: 03646460)

We, the several persons whose name and addresses are hereinto subscribed, are desirous of being formed into a company in pursuance of these Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

S. No	Names, Addresses, Description & Occupation of Subscribers	No. o Shares Taken	Signature of Subscriber	Name, Address, Description, Occupation of Witness
1.	Virendra Kumar Khandelwal S/o Ramprakash Khandelwal 16/F-3, D- Ganj, New Delhi Service	10 (Ten)	Sd/-	Sd/ PRAVEEN S/O DURGASHANKAR OJHA 111, NEEEL KANTH COLONY, INDORE ARTICLE TRAINEE
2.	Pramod Koolwal S/o Kailashchandra Koolwal 41, Kanchanbagh, Indore Industrialist	10 (Ten)	Sd/-	
3.	Suresh Chandra S/o Mahadeo Prasad 29, Old Palasia, Indore Industrialist	10 (Ten)	Sd/-	
	TOTAL	30 (Thirty)		

23 Dec, 1982

Authorised Representative  
Sd/-  
(PRAVEEN OJHA)

THE COMPANIES ACT, 1956

A COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

**SARTHAK INDUSTRIES LIMITED**

1. (a) Subject as hereinafter otherwise provided the “Adoption of regulation contained in table ‘A’ in the Schedule Table A “1 of the companies Act, 1956 shall apply to this company except so far as they have been impliedly or expressly modified by what is contained in the Articles hereinafter mentioned.
- (b) Wherever in the said act, it has been provided that the company shall have any rights, privilege authority or that the company could carry out any transaction only, if the company is so authorized by its Articles then, and in that case, this regulation hereby authorizes and empowers the company to have such right, privilege, authority and to carry such transaction as have been permitted by the Act, without there being any specific regulation in that ‘behalf herein provided.

INTERPRETATION

2. In the interpretation of these Articles, the following expression shall, unless repugnant to the subject or context, have the meanings hereby respectively assigned to them.
  - (a) The Act or ‘the said Act’ means “The Companies Act, 1956”. “The Act or  
or any statutory modification or re-enactment thereof for the “the said Act”  
time being and from time to time in force.
  - (b) The articles means the “Articles of Association for the “Articles”  
company, including the amendments made thereto from  
time to time.
  - (c) Auditors means and includes those persons appointed as such “Auditors”  
for the time being of the company.
  - (d) Board or Board of Directors means Board of Directors of the “The Board or  
company, duly constituted, consisting of the Directors collectively “The Board of  
collectively and also includes a meeting of the Board, Duly Directors”  
called and Constituted, or as the case may be the Directors  
assembled at the Board or the requisite number of directors entitled  
to pass a circular resolution in accordance with the Articles  
or the Directors of the company collectively.
  - (e) ‘The company’ means SARTHAK INDUSTRIES LIMITED “The company
  - (f) ‘Capital’ means the capital for “the time being authorized to “Capital resized”  
be raised for the purpose of the company.
  - (g) ‘Debenture’ includes debenture-stock & ‘Debenture holder’ “Debentures”  
means the registered holder from time to time of the Debenture  
of the company.

(h) ‘Directors’ means the directors for the time being of the company or, as the case may, be the Directors assembled at a board.	“Directors”
i) ‘Dividend’ includes bonus.	“Dividend”
j) Words importing the masculine gender also include the feminine Gender.	“Gender”
k) ‘Member’ means the duly registered holder from time to time of the shares of the company.	“Member”
l) ‘Meeting’ or ‘General meeting’ means meeting of members duly called and constituted in accordance with these Articles and any adjourned holding thereof.	“Meeting or General Meeting”
m) ‘Annual General Meeting’ means a general meeting of the members held in accordance with the provision of section 166 of the Act and any adjourned holding thereof.	“Annual General Meeting”
n) ‘Extraordinary General Meeting’ means General Meeting of the member (other than an Annual General Meeting and Statutory Meeting) duly called and constituted and any Adjourned holding thereof.	“Extra Ordinary General Meeting”
o) ‘Month’ means a calendar month.	“Month”
p) ‘Office’ means the Registered Office for the time of the company.	“Office”
q) ‘Paid-up’ includes credited as paid-up.	“Paid-up”
r) ‘Person’ includes firm, corporation as well as individuals.	“Persons”
s) ‘Register of Members’ means the register of members to be kept pursuant to the Act.	“Register of Members”
t) ‘The Registrar’ means the Registrar of Companies of the state in which the Office of the company is for the time being situate.	“The Registrar”
u) ‘Secretary’ means any individual possessing the prescribed qualification appointed to perform the duties which may be performed by a secretary under the Act and any other ministerial or administrative duties.	“Secretary”
v) ‘Seal’ means the common Seal for the time being of the company.	“Seal”
w) ‘Shares’ means shares in the share capital of the Company and includes stock except where a distinction between stock and share is express or implied.	“Share”
x) Words importing the singular number includes, where the context admits or requires, the plural number and vice versa.	“Singular Number
y) ‘Ordinary Resolution’ and ‘Special Resolution’ shall have the meaning assigned thereto by Section 189 of the Act.	“Ordinary and Special Resolution
z) ‘Year’ means the calendar Year and ‘Financial Year’ shall have the meaning assigned thereto by Section 2(17) of the Act.	“Year”
(a.a) ‘Written’ and ‘in writing shall include printing, lithography and any other mode or modes of representing/ reproducing words in a visible form.	“Written” and “Writing” in
(a.b) ‘Document’ includes summons, notice, requisition, other legal process and registers, whether issued, sent or kept in	“Document Order

pursuance of the Act or any other law or these Articles or otherwise.

- (a.c) ‘Executor’ or ‘Administrator’ means a person, who has obtained probate or letters of administration as the case may be, from a competent court. “Executor or Administrator”
- (a.d) ‘Memorandum’ means the Memorandum of Association of the Company. “Memorandum”
- (a.e) “Promoter(s) means promoter of the company and may include Individual Bodies Corporate, Corporation and Directors. “Promoter”
- (a.f) ‘Proxy’ means an instrument whereby any person is authorized to vote for a Member at the General Meeting on a poll. “Proxy”
- (a.g) The marginal notes and catch time hereto shall not affect the construction hereof.
- (a.h) A reference in the Articles to any specific provision of the Act shall be deemed to include a reference to any other applicable provisions of the Act.
- (a.i) Save as aforesaid, any words or expressions defined in the Act, shall of not inconsistent with the subject or context, bear the same meaning in these Articles.

#### CAPITAL

- 3. “The Authorized Share Capital of the Company is such that stated in clause V of the Memorandum of Association of the Company or altered thereat, from time to time with the right provided by the Article of Association of the Company for the time being in force and to divide share in Capital for the time being of the Company into several classes (being those specified in the Companies Act , 1956) & to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Article of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for time being permitted by the said Act or provided by the Articles of Association of the Company for the time being in force.”

- 4 Any unclassified shares of the Company for the time being (whether forming part of the original capital or of any increased capital of the Company) may be issued either with the sanction of the Company in General Meeting or by the Board with such rights and privileges annexed thereto and upon such terms and conditions as the General Meeting sanctioning the issue of such shares may direct, and if not such direction shall be given and in all other cases as the Direction shall determine and, in particular, such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company, and any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed. “unclassified Shares”

#### REDEEMABLE PREFERENCE SHARES

- 5 Subject to the provisions of section 80 & 80-A of the Act, and these Articles, the Company shall have power to issue preference shares, which are or at the option of the Company are, liable to be redeemed but never be later than 10 years from the date of issue as provided in Section 80-A of Companies Act, 1956 on such terms and in such manner as the Company may determine.
- “Redeemable Preference Shares”

#### CUMULATIVE CONVERTIBLE PREFERENCE SHARE

- 6 The Company may, subject to the provisions of the said Act, issue cumulative convertible preference shares and may convert such Cumulative Convertible Preference Shares into Equity Shares of the Company on such terms and conditions as the Board may deem fit.
7. Except in so far as otherwise provided by the conditions of issue or by these present, 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.
- “Cumulative Convertible Preference Shares”
- “The Act” or the said Act”

#### INCREASE REDUCTION AND ALTERATION OF CAPITAL

8. The Company may from time to time by ordinary resolution in General Meeting increase its share capital by the creation and issue Of new shares of such amount as it thinks expedient. Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no such direction be given, as the Board shall determine. Such shares may be issued with a preferential or qualified right as to dividends, and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 97 of the Act.
9. (1) Where, at any time after the expiry of two years from the date formation of the Company or at any time after the expiry of one year from the date of allotment of shares in the Company made for the first time. (whichever is earlier) it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion (as nearly as circumstances admit) to the capital paid up on those shares at the date, and such offer shall be made in accordance with the provisions of Section 81 of the Act. Provided that not with standing any thing herein-before contained the further
- “Increase of Capital”
- “Right of Equity Shares”

shares may be offered to any persons, who at the date the offer, are the holders of the equity shares of the Company in any manner whatsoever :-

- (a) If a special resolution to that effect is passed by the Company in General Meeting; or
  - (b) Where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to vote in person or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in that behalf, that the proposal is most beneficial to the Company.
- (2) Nothing in this article shall apply to the increase in the subscribed capital caused by the exercise of an option attached to debentures issued or loans raised by the Company to convert such debentures or loans into shares in the company (whether such option is conferred by Article 8 or otherwise) provided that the terms of the issue of such debentures or of such loans include a term providing for such option and such terms have been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, as the case may be and also the same has either been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by the Government in this behalf.
10. Except so far as otherwise provided by the conditions of issue or by these Articles, any to be Governed by same capital raised by the creation or new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.
- 11.1 Subject to the provisions of Section 80 & 80-A of the Act and Articles 91 hereof the Company shall have the power to issue preference shares which are, or at the option of the Company, but never later than 10 years from the date of issue as per Section 80-A of the Act, are liable to be redeemed and the redemption may be effected in the manner & subject to the terms and provisions of its issue.
- 11.2 On the issue of redeemable Preference Shares under the provisions of clauses (1) hereof, the following provisions shall take effect:
- (a) No such shares shall be redeemed out of profits of the Company which would be otherwise available for dividend or out of the proceeds of a fresh issue of shares, made for the purpose of redemptions;
  - (b) No such shares shall be redeemed unless they are fully paid.

“Further issue of Capital to be Governed by same rule”



- (c) The premium, if any, payable on redemption must have been provided for out of the profits of the company or the Company's share Premium Account before the shares are redeemed.
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the 'Capital Redemption Reserve Account, a sum to be redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.
- 12.(a) The Company shall not have the power to buy its own shares unless the consequent by the Company of reduction of capital is effected and sanctioned in pursuance of Article 13 and in pursuance of Section 100 to 104, Section 402 or other applicable provisions (if any) of the Act. "Buy back of Shares"
- 12.(b) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly, or indirectly, and whether by means of a loans, guarantee, provisions of security or otherwise, any financial assistance for the purpose of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.
13. The Company may, subject to the provisions of Section 78, 80, 100 to 104 (both inclusive) of the Act, from time to time by Special Resolution reduce its share capital and any Capital Redemption Reserve Account or other Premium Account in any manner for the time being authorized by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary after its Memorandum by reducing the amount of its share capital and of its shares accordingly. This Article is not to derogate from any power the Company would have if it were omitted. "Reduction"
14. Subject to the provisions of Section 94 of the Act, the company may in the General Meeting after the conditions of its Memorandum as follows: "Consolidation division and sub division"
- (a) Consolidate and divide all or any of the share capital in to share of larger amounts than its existing shares;
- (b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum, so however, that in the sub-division the proportion between the amounts paid and the amounts, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived ;
- (c) Cancel shares which at the date of such General Meeting 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.
15. The rights conferred upon the holder of shares of any class issued "Issue of further

with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of shares of that class, be deemed to be varied by the creations or issue of further shares ranking paripassu therewith.

pari- passu shares not to affect rights of shares already Issued”

#### MODIFICATION OF RIGHTS

16. If at any time the share capital is divided into any different classes. the rights and privileges may be attached to any class of shares (unless otherwise provided by the terms of the issue of the shares of that class) may, subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of the holders of not less than three fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis apply to every such meeting.
17. The Board shall observe the restrictions as contained in Section 69 and 70 of the Act, as the case may be , and shall cause to be filed the returns as to allotment according to Section 75 of the Act.

“Rights attached to class of shares”

“Restriction on allotment”

#### SHARES

18. Subject to the provisions of the Act and of 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 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 (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit or proper, and with full power to give any person the option to be allotted shares of the Company either at par or at a premium or subject as aforesaid, at a discount, such option being exercisable at such times & for such consideration as the Directors think fit. Provided that option or right to call of shares shall not be given to any person without the sanction of the Company in general meeting.
19. In addition to and without derogating from the power for that purpose conferred on the Directors under Article 18, the Company in general meeting may, by special resolution, determine to issue further shares out of the authorized by issued 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,

“Shares under the control of Directors”

“Power of general meeting to offer shares to such persons as the Company may resolve”

or (subject to compliance with the provisions of Section 79 of the Act), at a discount, as such general meeting shall determine and with power to give any person (whether a member or holder of debentures of the Company or not) option or right to call of share of any class of the company either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act, at a discount, such option being exercisable at such terms and for such consideration as may be directly by such general meeting of the company in general meeting may make any other provision what so ever for the issue, allotment or disposal of any shares, subject to any direction given by the general meeting as aforesaid the provision of Article 72 hereof shall apply to any issue of new shares.

20. Subject to the provisions of the Act and these Articles, the Director may allot and issue in the capital of the company in payment or payment for any property or assets of any kind whatsoever (including the goodwill of any business) sold or transferred or goods or machinery or know- how supplied, or for services rendered to the Company either in or about the formation or promotion of the company or the conduct of the business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued shall be deemed to be fully paid-up or partly paid-up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided by Section 75 of the Act. “Directors may allot shares as fully paid”
21. The Share in the Capital of the Company of the Company shall be numbered progressively according to their several denominations and except in the manner hereinafter 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. “Shares to be numbered progressively”
22. An application signed by or on behalf of an applicant for shares in the company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is entered on the Register of Members shall for the purpose of these Articles be a member.
23. The money (if any) which the Directors shall, on calls etc, the allotment of any shares being made by them, to be a debt payable, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allotted in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allotted thereof and shall be paid by him accordingly. “Deposit and calls etc, to be a debt payable immediately”.

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| 24. | If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installment every such installment shall when due, paid to the company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.   | “Installment on shares to be duly paid.”   |
| 25. | Except when required by law and in particular by Section 187C of the Act, or ordered by a Court of Competent jurisdiction, the Company shall not be bound to recognize any persons as holding any share upon any trust and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or interest in any fractional part of a share, or (except only as by these Articles or as ordered by Court of competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. | “Company not bound to recognize any interest in shares Other than that of the the registered holder” |

#### UNDERWRITING AND BROKERAGE

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|-----|---|---|
| 26. | The Company may subject to the provision of Section 76 and other applicable provisions of (if any) the Act, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscription, whether absolutely or conditionally, for any share in or debentures of the company but so that the commission does not exceed, in the case of shares, Five Percent of the price at which the shares are issued and in the case of debentures are issued. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in one way and partly in the other,. The Company may also issue or debentures to pay such brokerage as may be lawful. | “Commission for placing shares. debentures etc. |
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#### SHARE CERTIFICATE

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| 27. | The Certificates of title to the shares shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (i) two Directors (Provided that if the composition of the Board permits, one of the aforesaid two Directors shall be a person other than the Managing or whole time Director) and (ii) the Secretary or some other person appointed by the Board for the purpose. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue. A director may sign the share certificates by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the | “Certificate of Shares” |
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purpose. Provided always, that not with standing anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such provisions of the Act, or the rules made there under, as may be in force for the time being and from time to time.

28. Every member or allotted of share(s) shall be entitled without payment for each lot of hundred shares of each class or denomination registered in his name in such form as the Directors shall prescribe or approve, specifying the number of share or shares allotted to him and the amount paid thereon. 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 of its fractional coupons of requisite value, provided that if the letter of allotment or certificate issued is lost or destroyed the Board may, if the Directors so approve, impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out-of- pocket expenses incurred by the Company in investigating such evidence. In case of issues against letter of acceptance or remuneration or in case of Bonus Shares, the Board may issue certificates for less than 100 shares. “Members right to certificate.”
29. The company shall within-three months after allotment of any of its shares or debenture and within one month after the application for the registration of the transfer of any such shares or debentures complete and have ready for delivery the certificates of all the shares or debentures allotted or transferred, unless the condition of issue of the shares or debentures otherwise provide and the comply with the requirement of the section 113 and other applicable provisions (if any) of the Act. “Limitation of time for issue of certificate”
30. No certificate(s) of any share or shares or debenture or debentures shall be issued either in exchange for the those which are sub-divided or consolidation in replacement of those which are defaced, torn or old, decrepit, worn out or rendered useless from any cause whatsoever, or where the entries on the reverse for recording transfers have been fully, utilized, unless the certificate in lieu of which they are issued are surrendered to the Company. The Company may charge a fee not exceeding two rupees for this purpose. However, no duplicate certificate shall be issued in lieu of those shares that are lost or destroyed without the prior consent of the Board and on such reasonable terms, if any, as to evidence of such loss destruction and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board thinks fit. “As to issue of new certificate for splitting.”
31. The Company may issue Share Warrants subjects to and in accordance with, the provisions of section 114 and 115 of the Act, “Power to issue Share Warrants”

and accordingly the Board may in its discretion, with respect to any share which is fully paid upon application in writing signed by the person registered as holders of the Share and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the share and the amount of stamp duty on the warrant and such fee as the Board may from time to time require, issue share warrants.

- 32.(a) The bearer of share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of shares included in the deposited warrants.
- (b) Not more than one person shall be recognized as depositor of the share warrant.
- (c) The Company shall on two days written notice, return the deposited share warrant to the depositor.
- 33.(a) Subject as herein otherwise expressly provided, no person shall, as bearer of Share Warrant, sign requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a member at a meeting of the Company or be entitled to receive any notice from the Company.
- 33.(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of Shares included in the warrant and he shall be a member of the Company.
34. The board may from time to time make rules as to issue of new share the terms on which (if it shall think fit) a new warrant or coupon "share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction."

"Deposit of Share Warrants"

"Privileges & disabilities of the share warrant holders"

#### CALLS

35. The Board may, from time to time , (by a Resolution "Board may make calls" passed at the meeting of the Board and not by resolution by circulation) but subject to the conditions of allotment, make such calls as it thinks fit upon the members in respect of all money unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium ) 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. A call may be made payable by installments.

"Board may make Calls"

36. Where calls are made on share, such calls shall be made on a uniform basis on all shares falling made under the same class. For the purpose of this uniform basis “Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.” “Calls on Shares”
37. At least fourteen days ‘notice of every call, otherwise than on allotment, shall be given specifying the time of payment, and if payable to any person other than the company, name of the person to whom the call shall be paid. A call may be revoked or postponed at the discretion of the Board.” “Notice of Calls”
38. A call shall be deemed to have been made at the time when the Resolution of the Board of Directors Resolution “authorizing such call was passed and may be made payable by those members whose names appear on the Register of members on such date, or, at the discretion of the Board on such subsequent date as shall be fixed by the Board.” “Call to date from resolution”
39. The Board may, from time to time, at its discretion extend the time fixed for the payment of any time “call and may extend such time to all or any of the Members whom the Board may deem fairly entitled to such extension, but no Member shall be entitled to such extension as of right except as a matter of grace and favour.
40. If by the terms of issue of any share, any amount is made payable on allotment or at any fixed time or by installments at fixed time (whether on account of the nominal amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls shall relate and apply to such amount or installment accordingly.” “Sums deemed to be calls”
41. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, or any such extension thereof as aforesaid, the holder for the time being or allotted of the share(s) in respect of which a call shall have been made or the installment shall be due shall pay interest on the same at such rate as shall be fixed from time to time as the Board shall fix from the day appointed for the payment thereof to the time of actual payment but the Board may waive payment or recovery of such interest wholly or in part from any member.” “When interest calls or installment payable”
42. Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any part payment or satisfaction there under nor the receipt by the company or of a portion any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the company in respect of the payment of “Judgment decree or partial payment not to preclude Forfeitures”

any money shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

43. Subject to the provisions of the Act and these Articles at the trial or bearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares, it shall be sufficient to prove that the name of the member in respect of whose shares money is sought to be recovered is entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered, that the resolution making the call was duly recorded in the minute book, as that notice of such call was duly posted to the member or his representative 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 Board at which any call made was duly convened or constituted nor any other matter what so ever but the proof of the matters aforesaid shall be conclusive evidence of the debt. “Proof on trial of suit for money on shares”
44. The Board may, if it thinks fit, agree to and receive from any member willing to advance the call, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of calls then made upon and due in respect of the shares on account of which such advance has been made, the Board may pay or allow interest at such rate as the member paying such sum in advance and the Board agree upon and the Board may agree to repay at any time any amount so advanced or may at any time repay the amount so advanced either by agreement with the member or otherwise upon giving to such member three months notice in writing. No member paying any sum in advance shall be entitled to participate in profits or dividend or to voting rights in respect of the money so paid by him until the same would, but for such payment, become presently payable. “Payment in advance or calls may carry interest”

#### FORFEITURE, SURRENDER AND LIEN

45. If any member fails to pay the whole or any part of the any call or installment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, or any such extension thereof as aforesaid the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the shares by transmission requiring him to pay such call or installment or such part thereof or “If call or installment not paid, notice may given”



other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

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| 46. | The notice shall name a day (not being less than 14 days from the date of the notice) on or before which and the place or places at which such call, installment or such part thereof and such other moneys as aforesaid and such interest therein at such rate as the Board shall determine from the day on which such all, installment or other money ought to have been paid and expenses as aforesaid are to be paid, and if payable to any person other than the company, the person to whom such payment is to be made. The notice shall also state that in the event of non – payment at or before the time and (if payable to any person other than the Company) at the place appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited. | “Terms of notice”  |
| 47. | If the requirements of any such notice as afore-said shall not be complied with any of the shares in respect of which such notice has been given may at any time thereafter but before payment of all calls or installments, interest and expenses and other money due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.   | “Shares to be forfeited in default of payment”   |
| 48. | When any share shall have been so forfeited, an entry of the forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the member in whose name they stood immediately prior to the forfeiture but no forfeiture shall be in any manner invalidated by any omission or neglect to make any such entry or to give such notice as aforesaid.  | “Entry of forfeiture in Register of members”   |
| 49. | Any shares 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.   | “Forfeited shares to be property of the company and may be sold etc.”                  |
| 50. | The Board may, at any time before any shares so forfeited shall have been sold re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.   | “Directors may annul forfeiture”   |
| 51. | Any person whose shares have been forfeited shall not with standing the forfeiture, be liable to pay and shall fort with pay to the company on demand all calls, installments, interest, expenses and other money owing upon or in respect of such shares at the time of the forfeiture until payment at such rate as the Board may determine and the board may enforce the payment of the whole or  | “Share holders still liable to pay money owing at the time of forfeiture and interest” |

in a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.

52. The forfeiture of a share shall involve the extinction, at the time of the forfeiture, of all interest in and all claims and demands against the company in respect of the shares forfeited and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved. “Effect of forfeiture”
53. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as it thinks fit. “Surrender of shares”
54. The Company shall have no lien of its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien on such shares registered in the name of each member, whether solely or jointly with others and upon the proceeds of sale thereof for all money called or payable at a fixed time in respect of such shares and whether held solely or jointly with any other persons, and whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and conditions that Article 25 is to have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company’s lien, if any, on such shares. Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. “Company’s lien on shares”
55. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made unless a sum in respect of which the lien existing is presently payable and until the expiration of seven days after a notice in writing of the intention to sell shall have been served on such member, his executors or administrators or other legal representatives as the case may be, and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after service of such notice. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificates in lien thereof to the purchaser or purchasers concerned. “As to enforcement of lien by sales”
56. The proceeds of any such sale, after payment of the costs of such “Application of

- sale, shall be received by the company and applied in or towards the satisfaction 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 such member or the person (if any) entitled by transmission to the shares at the date of the sale.
57. A certificate in writing under the hands of two Directors that the call in respect of a share was made, and notice thereof given and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Board to that effect shall be conclusive evidence of the facts stated therein as against all persons claimed to be entitled to such share.
58. Upon the sale after forfeiture or for enforcing a lien in the exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration if any, nor shall his title to the share be affected by an irregularity or invalidity in the proceedings in reference to the forfeiture sale, re-allotment or other disposal of the shares and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person.
59. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares 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 thereof.
- proceeds of sale”
- “Evidence of forfeiture”
- “Title of purchaser and allottee at forfeited share or shares sold or share sold in exercise of lien”
- “Cancellation of share certificates in respect of forfeited shares”

#### TRANSFER AND TRANSMISSION OF SHARES

60. The company shall keep a book to be called the “Register of Transfers” and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.
61. The company shall keep a book to be called the “Register of Renewed and Duplicate Certificates” and therein shall be fairly and distinctly entered the particulars of the issue of renewed and
- “Register of transfer”
- “Register of renewed and duplicate certificates”

duplicate certificates 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 rendered useless.

62. The instrument of transfer of any share shall be in writing and in such form as may be prescribed by the stock exchange and subject to the provisions of section 108 of the Act. “Forms of transfer”
- 63.(1) An application for the registration of a transfer of the shares in the company may be made either by the transferor or by the transferee. “Application for transfer”
- (2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the company gives notice or 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 purpose of sub- clause (2) above, notice to the transferee shall be deemed to have been given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of the transfer and shall be deemed to have been delivered in the ordinary courses of post.
64. Every such instrument of transfer shall be signed by or on behalf of the transferor and by or on behalf of the transferee and transferor shall be deemed to remain the holder of such share until the name of transferee is entered in the registered of Members in respect thereof . “Instrument of transfer to be executed by the transferor and transferee”
65. The company shall not register a transfer of shares in the company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any of the transferee has been delivered to the company within the prescribed period along with the certificate relating to the shares, or if no such shares certificate is in existence, along with the letter of allotment of the shares. “Transfer not to be registered except on production of instrument of transfer”
- PROVIDED that where on an application in writing made to the company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the transferor and by or on behalf of the transferee has been lost, the company may if the Board thinks fit, register the transfer on such terms as to indemnify as the Board may thinks fit provided further that nothing in this Articles shall prejudice any power of the company to register as shareholder any person to whom the right to any shares in the company has been transmitted by operation of law.

66. No share shall in any circumstances be subscribed for or transferred to any person of unsound mind or insolvent.
67. Minors may be allotted fully paid shares in the company provided the names of their guardians not minors are entered in the register of Members. “Minors as members”
- 68.(a) Subject to the provision of the Act and securities contracts (Regulation) Act, 1956, the board may, at its absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of shares upon which the company has a lien of whilest any money in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact the proposed transfer is already a member. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or alone or jointly with any other person or persons in debentured to the company on any account whatsoever, except as stated, hereinabove. The registration of the transfer be conclusive evidence of the approval by the board of the transferee. “Directors may refuse to register transfer”
- (b) Without prejudice to the generality of the foregoing sub Articles (a), the board may refuse an application for transfer of less than 100 equity shares of company subject however, to the following exceptions:
- (i) Transfer of equity shares made in pursuance of any statutory provision of an order of a competent court of law.
- (ii) The transfer of the entire Equity shares by an exiting Equity shareholder holding less than 100 Equity Shares by a single transfer to a single or joint names.
- (iii) Transfer of the entire holding of equity shares of a member which is less than 100 to one or more transferees provided that the total holding of the transferee or each of the transferees, as the case may be, will not be less than 100 shares after the said transfer.
- (iv) The transfer if not less than 100 Equity shares in the aggregate in favour of the same transferee in two or more transfer deeds, submitted together within one or more relates to the transfer of less than 100 Equity shares.
69. If the company refuse to register the transfer of any share or transmission of any right therein, the company shall, within two months from the dates on which the instrument of transfer or intimation of transmission was lodged with the company, send notice or refusal to transferee and transferee and transferor or to the person giving intimation, as the case may be, and there-upon the provisions of Section 111 of the ACT or any statutory modification or re-enactment thereof shall apply. “Notice of refusal to be given to the transferor and transferee”

70. A transfer of a share in the company of deceased member there of made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer. “Transfer by legal representative”
71. The instrument of transfer after registration shall be retained by the company and shall remain in its custody. All instrument of transfer which the directors may decline to register shall, on demand be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds instruments or transfer lying with the company for a period of five years or more. “Custody of instrument of shares”
72. The board shall have power on giving not less than seven days previous notice by advertisement as required by Section 154 of the Act, to close the transfers books of the company, the register of member or the register of Debenture-holder at such time or times and for such period or periods of time not exceeding in the whole 45 days in each year not exceeding 30 days at a time, as to it may deem fit. “Closure of transfer books”
73. The executors or administrators or a holder of a Succession Certificate in respect of the estate of a deceased member, not being one or two or more joints holders shall be the only person recognized by the company as having any title to the shares registered in the name of such deceased member and the company shall not be bound to recognize such executors or administrators unless such executors or administrators shall have first obtained probate or letters of administration as the case may be, from a duly constituted court in India, provided that in any case where the board in its absolute discretion thinks fit, it may dispense with the production of probate or letter of administration or succession certificate upon such terms as to indemnity or otherwise as the board in its absolute discretion may think necessary and under article 74, register the name of person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member. “Title of shares of deceased holder.”
74. Subject to the provisions contained in article 73 hereof, any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, or any lawful means other than by a transfer in accordance with these articles, upon producing proper evidence of the grant of probate or letters of administration or succession certificate or such other evidence that he sustains the character in respect of which he purports to act under this article or of his title to the shares as the board thinks sufficient may, with the consent of the board (which it shall not be under any obligation to give), either be registered as a member in respect of such shares, or elect, to have some person nominated by him and approved by the “Transmission Articles”

board registered as a member in respect of such shares provided that if such person shall elect to have nominee registered, the shall rectify his election by executing in favour of his nominee as instrument of transfer in accordance with these articles and until he does so he shall not be free from any liability in respect of such shares. This Article is here in referred to as “The Transmission Article.”

75. Subject to the provisions of the Act and these Articles, the directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named and ordinary transfer presented for registration. “Refusal to register in case of transmission”
76. A person entitled to a share by transmission shall subject to the right of the directors to retain such dividends or money as hereinafter provided, be entitled the same dividends and other advantages to which he would be entitled to if he were the registered holder of the shares, except that he shall not before being registered as a member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meeting of the company. “Person entitled may receive dividend without being registered as member.
77. Every transmission of a share shall be verified in such manner as the directors may require and the company may refuse to register any such transmission until the same be so verified or unless an indemnity be given to the company with regard to such registration which the directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the company or the directors to accept any indemnity. “Board may require evidence of transmission”
78. The Board shall not charge any fee for register of transfer or transmission or power of attorney in respect of shares or debentures of the Company. “No fee on transfer transmission or power of attorney”
79. The Company shall incur no liability or responsibility whatsoever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable rights, title or interest (to or in such shares not with standing that the Company may have notice of equitable rights title or interest) or may have received a notice or referred thereto in any book of the Company and save as provided in the Act, 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 rights, 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 “Company not liable for disregard of a notice prohibiting registration of transfer”

regard and attend to any such notice and give effect thereto if the Board so think fit.

#### JOINT HOLDERS

80. Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint-holders with benefits of survivorship subject to the following and other provisions contained in the Articles “Joint holders”
- (a) The company shall be entitled to decline to register more than four persons as the holders of any shares, the joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
  - (b) On the death of any such joint-holders the survivor or survivors shall be only person or persons recognized by the company as having any title to the shares but the board may require such evidence of death as it may deem fit and nothing here in contained shall be taken to release the estate of a deceased joint-holder from any liability in respect of the shares held by him jointly with any other person.
  - (c) Only the person whose name stands first in the register of members may give effectual receipts for any dividends or other money payable in respect of such shares.
  - (d) Only the person whose name stands first in the register of members as one of the joint-holders of any shares shall be entitled to delivery of the certificate relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 2(a,b) and 207) from the company and any documents served on or sent to such person shall be deemed service on all the joint-holders.
  - (e) Any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled there to and if more than one of such joint-holder be present at any meeting personally or by proxy then that one of such persons so present whose name stands first or higher (as the case may be) on the register of members in respect of such shares shall alone be entitled to vote in respect there of but the other or others of the joint-holders shall be entitled to be present at the meeting provided always that a joint-holders present at any meeting personally shall be entitled to vote in preference to a joint-holder present by proxy stands first or higher in the register of Members in respect of such shares several executors or administrators of a deceased members in whose (deceased member’s) sole name any share stands, shall for the purpose of this sub-clause be deemed joint-holders.

#### BORROWING POWERS

81. Subject to the provisions of the Act and these Article and without “Powers to borrow”



prejudice to the other powers conferred by these Article, the Board shall have the power from time to time at its discretion by a resolution passed at a meeting of the board and not by resolution by circulation, to accepts deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the company provided that the total amount to be borrowed at any time together with the money already borrowed from the company (apart from temporary loans obtained from the company’s Bankers in the ordinary course of Business), shall not without the consent of the company in general meeting, exceed the aggregate of the paid-up capital of the company in general and its free reserves that is to say reserves not set apart for any specific purpose such consent shall be obtained by an ordinary resolution which shall provide for the total amount up to which money may be borrowed by the Board. The expression “ temporary loans” in this Article means loans repayable on demand or within six months from the date of the loan such as short term loans, cash credit arrangements, discounting of bills and the issue of other short term loans of seasonal character.

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| 82. | Subject to the provisions of the Act and these Articles, the Board may by a resolution passed at a meeting of the Board and not by resolution by circulation, secure the payment of such sum or sums in such manner as it thinks fit and particularly by issue of bonds perpetual or redeemable debentures or debenture-stocks, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the company (both present and future) including its uncalled capital for the time being.                          | “Condition on which money may be borrowed”                    |
| 83. | Any bonds, debentures, debenture-stock or other securities issued or to be issued by the company shall be under the control of the board who may issue them upon such terms and conditions and in such manner and for such consideration as it shall consider to be for the benefit of the company.  | “Bonds, debenture etc. to be subject to control of Directors” |
| 84. | Debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the company and the person to whom the same may be issued.   | “Securities may be assignable free From equities.             |
| 85. | Subject to the provisions of the act and these Articles, any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and with any special rights, privileges and conditions as to redemption, surrender, drawings, allotment of shares as to attending (but not voting) at general meeting, as to appointment of Directors or otherwise. Provided that debentures with the right to allotment of or conversion in to shares shall not be issued except with the sanction of the Company in General Meeting. | “Conditions on which bonds debenture etc. may be issued.      |

86. If any uncalled capital of the company is included in or charged by way of mortgage or other security by the Board, the Board shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or, if permitted by the Act, may be instrument under seal, authorize the person in whose favour such mortgage or security is executed or any other person in trust for him to receive money on call from the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis mutandis apply to call made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Director's powers or otherwise and shall be assignable if expressed so to be.

“Mortgage on uncalled capital”

87. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or Surety for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

“Indemnity may be given.”

#### GENERAL MEETING

88.(1) Subject to the provisions of Sections 166 and 210 of the Act, the Company shall, in addition to any other meeting, hold a general meeting (hereinafter called an ‘Annual General Meeting’) at the intervals and in accordance with the provisions herein specified. The Company shall hold its first Annual General Meeting within eighteen months from the date of its incorporation and if such General Meeting is held within that period, it shall not be necessary for the Company to hold any Annual General Meeting in the year of its incorporation or in the following year, but subject to the aforesaid provisions, the Annual General Meeting shall be held at least once in every calendar year and not more than fifteen months shall elapse between the date of one Annual General Meeting and the next, provided however, that if the Registrar of Companies shall have any special reason, extend the time within which any Annual General meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the Registrar.

“Annual General Meeting.”

(2) Every Annual General Meeting shall be called at a time during business hours and on such day (not being public holiday) as the Board may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of

the Company is situated as the Board may determine. The Company may by a resolution passed at one Annual General Meeting, fix the time for its subsequent Annual General Meeting. The notice calling the meeting shall specify it as the Annual General Meeting.

- (3) The Company shall hold within the prescribed period specified in section 165 of the Act, a general meeting of the members of the Company which shall be called Statutory Meeting.

89.(1) All general Meeting other than the annual general meetings shall be called 'Extra Ordinary General Meetings'. The Board of Directors may call in Extraordinary General Meeting whenever they think fit.

“Extra Ordinary  
General Meeting”

- (2) The Board of Directors shall, on the requisition of such number of members of the Company holding, in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company upon which all calls or other money then due shall have been paid as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call on Extraordinary General Meeting of the Company and the provisions of section 169 of the Act and provision herein below contained shall be applicable to such meeting.

- (3) The requisition shall not set out in the matters for the consideration of which the meeting is to be called shall be signed by the requisitioners and shall be deposited at the Registered office of the Company.

- (4) The requisition may consist of several documents of the like form, each signed by one or more requisitioners.

- (5) Where two more distinct matters are specified in the requisition, the provision of clause above 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 the deposit of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matters on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called by the requisitioners themselves or by such of the requisitioners as represent either a majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the share capital of the Company as is referred to in clause (2) above whichever is less.

- (7) A meeting called under clause (6) above by the requisitioners or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.

- (8) Any reasonable expenses incurred by the requisitioners by reason of the failure of the Board duly to call a meeting shall be repaid to the

requisition by the company, and any sums 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.

- (9) If at any time there are not within India sufficient directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fall or neglect to increase the number of Directors to that numbers or to convene a general meeting, any director or any two or more members of the company holding not less than one-tenth of the total paid up share capital of the company may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be called by the directors.

90.(1) A General meeting of the company may be called by giving not less than twenty one clear days notice in writing.

“Notice of Meeting”

(2) However a general meeting may be called after giving shorter than 21 days, if the consent is accorded thereto.

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

(ii) in the case of other meeting, by members of the company holding not less than 95 percent of such part of the paid-up share capital of the Company as gives a right to vote at that meeting.

PROVIDED that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the later.

91.(1) Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting and shall contain a statement of the business to be transacted thereat. The Notice/Agenda of such General Meeting shall be in English and shall not contain a miscellaneous designation such as other matter.

“Special Business”

(2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member of the Company.

92.(1) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to :-

“Special Busniess”

(i) the consideration of the Account, Balance sheet and Profit and Loss Account and the Report of the Board of Directors and the Auditors.

(ii) the declaration of dividend :

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

- (iv) the appointment of and the fixing of the remuneration of the Auditors.
- (2) In the case of any other meeting all business shall be deemed special.
- (3) Where any item of business to be transacted at the meeting is deemed to special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular, the nature of the concern or interest if any, therein of every Director and of the Manager, if any of the Company provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects, any other Company, the extent of the shareholding interest in the other Company of every Director and the Manager, if any, of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other company.
- (4) Where any item of business to be transacted at the meeting consists of according the approval of the meeting to any document, the name and place where the document can be inspected shall be specified in the explanatory statement.
93. Notice of every meeting shall be given to every member of the Company in any manner authorized by sub-sections (1) to (4) of Section 53 of the Act and by these Articles, it shall be given to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of the Representative of the Deceased or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been supplied by giving the notice or in any manner in which it might have been given if the death or insolvency had not occurred. Provided that where notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company. “Service of notice”
94. Notice of every meeting of the Company and every other communication relating to any general meeting of the Company which any member of the Company is entitled to have sent to him, shall be given to the Auditor or Auditors for the time being of the Company, in the Company, in the manner authorized by Section 53 of the Act, as in the case of any member or members of the Company. “Notice to be given to the Auditors”
95. The accident omission to give notice of any meeting to or the non- “As to omission to

receipt of any notice by member or other person to whom it should be given shall not invalidate the proceedings at the meeting or the resolutions passed thereat.

given notice”

96.(1) Where, by any provision contained in the Act or in these Articles Special Notice is required of any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the days on which the notice is served or deemed to be served and the day of the meeting.

“Resolution requiring special notice”

(2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it give its members notice of the resolution in the same manner as it gives notice of the meeting or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by the Articles, not less than seven days before the meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

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

“Quorum at General Meeting”

98. If within half an hour after the time appointed for the holding of a General Meeting a quorum be not present, the meeting, if convened on the requisition of members shall be dissolved and in every other case, shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day, time and place as the Board may by notice to the member appoint. If at such adjourned meeting a quorum be not present within half an hour, those members present shall be a quorum and may transact the business for which the meeting was called.

“Proceeding when quorum not present”

99. No business shall be transacted at any adjourned meeting other than the business which ought to have been transacted at the meeting from which the adjournment took place.

“Business at adjourned Meeting”

100. The chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If there be no chairman or if at any meeting, he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of their members as chairman, and if no such Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their members to be the Chairman of the meeting.

“Chairman”

101.(1) No business shall be discussed at any General Meeting except the

“Business confined

	election of a chairman whilst the chair is vacant.	To election of Chairman”
(2)	If a poll is demanded on the election of the chairman it shall be taken fort with in accordance with the provisions of the Act and these article, the chairman so elected on a show of hands exercising 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 chairman for the rest of the meeting.	
102.	The chairman, with the consent of any meeting at which a quorum is present may adjourn any meeting from time to time and from place to place in the city or town or village in which the Registered office of the company is situate.	“Chairman with consent may adjourn meeting”
103.	When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. 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.	“Notice to be given where a meeting is adjourned for thirty days or more”
104.	At any General Meeting, a resolution put to the vote of the meeting shall unless a poll is (before or on the declaration of the result on a show of hands) demanded, be decided on a show of hands and unless a poll is so demanded, a declaration by the chairman that a Resolution has, on a show of hands, been carried, either unanimously or by a particular majority or lost and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion or the votes recorded in favour of or against such Resolution.	“Evidence of the passing of resolution with poll not demanded”
105.	Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by member or members present in person or by proxy and holding shares in the Company.	“Demand for poll”
(1)	Which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or	
(2)	On which an aggregate sum of not less than rupees fifty thousand has been paid up.	
106.	A poll demanded on any question (other than the election of the Chairman or on a question of adjournment, which shall be taken for with) shall be taken at such place in the city, town or village in which the Registered Office of the Company is situated and such title (not being later than forty eight hours from the time when the demand was made as the Chairman may direct.) Subject to the provisions of the Act the chairman of the meeting shall have power to regulate the manner in which a poll shall be taken including the	“Time and manner of taking poll”

power to take the poll by open voting or by secret ballot and either at once or after the interval or adjournment or otherwise and result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.

107. When a poll is to be taken the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and report thereon to him. The Chairman shall have the power at any time before the result of the poll is declared to remove a scrutinizer arising from such removal or from any other cause. Of the scrutinizers appointed under this Articles, one shall always be a manner (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed. “Scrutineers at poll”
108. The demand for a poll shall not prevent the continuance of a meeting for transaction of any business other than the question which the poll has been demanded. “Demand for poll not to prevent transaction or other business”
109. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands has taken place, or at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled as a member. “Resolution how decided in case of Other business”
110. The Company shall cause minutes of the proceedings of every General Meeting to be kept in accordance with the provisions of the Act, by making, within thirty days of the conclusion of each such meeting, entries there of in books kept for that purpose with their pages consecutively numbered, 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 book shall be dated and signed by the chairman of the meeting within the aforesaid period of thirty days or in the event of the death or inability of the chairman within that period, by a Director duly authorized by the Board for that purpose. In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by passing or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein. “Minutes of General Meeting
111. The books containing the aforesaid minutes shall be kept at the Registered office and be open during business hours for the inspection of any member without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with Section 196 of the Act. Any member shall be entitled to be furnished within seven days after he had made a request in that behalf to the Company, with a copy of the minutes on payment of Rupee one for every one hundred words or fractional part there of required to be copied. “Inspection of Minutes Book of General Meeting”



## VOTES OF MEMBERS

112. Subject to the Provisions of the Act and the Articles, votes may be given either personally or by proxy or in the case of a body corporate also by a representative duly authorized under Section 187 of the Act. “Votes may be given by Proxy or attorney”
113. Subject to the provisions of the Act:-  
(a) On a show of hands, every holder of equity shares entitled to vote and present in person shall have one vote and upon a poll every holder of equity shares entitled to vote and present in person or by proxy shall have one vote for every equity share held by him. “Votes of Members”  
(b) Every holder of a preference share in the capital of the Company shall be entitled to vote at a General Meeting of a Company only in accordance with the limitations and provisions laid down in Section 87(2) of the Act.
114. Any person entitled under the Transmission Article (Article 40 here of) to transfer any shares may vote at any General Meeting in respect there of as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding of the meeting or adjourned meeting as the case may be at which he propose to vote, he shall satisfy the Directors of his right to transfer such shares and give indemnity, if any, as the Directors may require unless the Director shall have previously admitted his right to vote at such meeting in respect there of. “Votes in respect of shares of deceased and insolvent members”
115. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, in a poll, vote by proxy. “Votes of member of unsound mind”
116. Subject to the provisions of the Act. No member shall be entitled to vote at any general meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member or in regard to which the company has, and has exercised, any right of lien. “No member to vote unless calls are paid-up”
117. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses. “Right of member to use his vote”
117. A . “Notwithstanding anything contained elsewhere in these articles, but subject to the provision of section 192 A of the companies Act,1956, read with companies( Passing of resolution by postal ballot) Rules,2001 the listed public company, may and in case of “Passing of Resolution by postal ballot”

resolution relating to such business, as the central government may by the notifications, declare to be conducted only by postal ballot, shall get such resolution passed by means of postal ballot instead of transacting the business in general meeting of the company personally.

A resolution assented by requisite majority of the shareholder by means of postal ballot, shall be deemed to have been duly passed at the general meeting convened in that behalf “Postal Ballot” includes voting by electronic mode.

“Postal Ballot” has the same meaning as defined under companies (passing of the resolution by postal ballot) Rules, 2001 read with provision under Section 192 A of the companies Act, 1956”

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|---------|---|----------------------------------|
| 118.    | Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting. A member present by proxy shall be entitled to vote only on a poll.  | “Proxies”                        |
| 119.    | Every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.  | “Appointment of Proxy”           |
| 120.(1) | The instrument of proxy shall be deposited at the office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument propose to vote and in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time.    | “Deposit of instrument of proxy” |
| (2)     | Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on a resolution to be moved thereat, shall be entitled, during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company provided not less than three days notice in writing of the intention so to inspect is given to the Company. |                                  |
| 121.    | An instrument appointing a proxy shall be in such form as may be prescribed by the Act from time to time.   | “Form of Proxy”                  |
| 122.    | If any such instrument be continued to the object of appointing a proxy for voting of a meeting of the Company, it shall remain permanently or for such time as the Directors may determine, in   | “Custody of instrument of Proxy” |

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

123. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or subsequent insanity of the principal or revocation of the proxy under which such proxy was signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received at the office of the Company before the meeting. “Validity of votes given by proxy notwithstanding death of members etc.”
124. Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote is tendered and every vote whether given personally or by proxy or by any means hereby authorized and not disallowed at such meeting or poll be deemed valid for all purpose of such meeting or poll whatsoever. “Time for objection to vote”
125. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered or given at such meeting and subject as aforesaid, the Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered as such poll. “Chairman of any meeting to be the judge of validity of any vote.”

#### DIRECTORS

126. Subject to the provisions of Section 259 of the Act, the number of Directors (excluding alternate directors) shall not be less than three, and unless otherwise determined by the Company in General Meeting, more than twelve (including debenture, special and nominee Directors nominated by any of the financial institutions). “Number of Directors”
127. The Company shall subject to the provisions of the Act, be entitled to agree with any person, firm or corporation, that he or it shall have the right to appoint his or its nominee or nominees on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. Such nominees and their successors in office appointed under this articles shall be called Special Directors of the Company. “Special Director”
128. Special Directors appointed thereof shall be entitled to hold office until requested to retire by the person, firm or Corporation which may have appointed him/ them and will not be liable to retire by rotation as and when such Special Director vacate office whether upon request as aforesaid or by death, resignation or otherwise. The person, Firm or Corporation who or which appointed such Directors may appoint any other Director in his place. A Special Director may, at any time by notice in writing to the Company “Office of Special Director”

resign his office, subject as aforesaid. A Special Director shall be entitled to the same obligations as any other Directors of the Company.

129. The first Directors of the Company shall be :-  
(1) MR. VIRENDRA KHANDELWAL  
(2) MR. PRAMOD KOOLWAL  
(3) SHRI SURESHCHANDRA MAHADEO PRASAD

#### NOMINEE DIRECTORS

130. Not with standing anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to The Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), or to any other Finance Company or body or any Bank out of any loans granted by them to the company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body or any Bank is hereinafter in his Article referred to as ‘the corporation’) continue to hold debentures in the Company by direct subscription or private placement, or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, whole-time or non-whole time, (which Director or Directors is/are hereinafter referred to as ‘Nominee Director/s’) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s. “Nominee Director”

The Board of Directors of the Company shall have no power to remove from office to Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any qualification share in the Company. Also at the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject to aforesaid, Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the company as a result of direct subscription or private placement or so long as the Corporation holds shares in the company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is

outstanding and the Nominee Directors so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid of or on the corporation ceasing to hold Debenture/shares in the Company or on the satisfaction of the liability of the company arising out of any Guarantee furnished by the Corporation.

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

The Company shall pay to the Nominee Director/s sitting fess and expenses which the either Directors of the Company are entitled. But if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

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

131. Any Trust Deed for securing debentures or debenture-stock may, if so arranged, provide for the appointment from time to time Trustees therefore by the holders of the debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture-stock from time to time to remove any Director so appointed.

“Appointment of  
Debenture  
Directors”

The Director appointed under this Article is herein referred to as the ‘Debenture Director’ and the term ‘Debenture Director’ means the Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or, subject to the provisions of the Act, be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

132. The Board may appoint any person who is recommended for such appointment by a Director (hereinafter called ‘the Original Director’) to act as an Alternate Director for him during the

“Alternate Directors”

absence for a period of not less than three months from the State in which the Meetings of the Board are ordinarily held and such appointee, whilst he holds office as an Alternate Director shall be entitled to notice of Meetings of the Directors and to vote thereat accordingly and to the same rights and privileges as the Original Directors. An Alternate Director appointed under this Articles shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the original director returns to the said State. If the term of office of the Original Director is determined before he so returns to the State as aforesaid any provisions in the Act or in the Article for the automatic re-appointment of a retiring Director in default of any other appointment shall apply to the Original Director and not to the Alternate Director.

133. Subject to the provisions of the Act and the Articles if the office of any Director is vacated before his term of office will expire in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board. 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 the vacancy has not occurred. “Casual Vacancy”
134. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a person or persons as an Additional Director or Directors. Such Additional Director shall hold office only up to the date of the next Annual General Meeting of the Company, but shall be eligible for re-election at that meeting as a Director, provided that, the number of Directors and the Additional Directors together, shall not exceed the maximum strength fixed by the Board by Articles 126 thereof. “Appointment of additional Directors”
135. A Director of the Company shall not be bound to hold any qualification shares. “Qualification of Directors”
136. Subject to the provisions of Section 198, 309, 310, 311 and 314 of the Act, the remuneration payable to the Directors of the Company shall be as hereinafter provided “Remuneration of Directors”
- (1) Subject to the provisions of Section the Directors of the company (inclusive of the chairman) shall be entitled to payment of a sum as may be prescribed in the Act from time to time for each meeting of the Board or of one or more committees of the Board attended by him or such lesser amount as the Directors may agree to accept from time to time. The Directors shall be paid such further remuneration, if any, either on the basis of percentage on the net profits of the company or otherwise, as the company in General Meeting shall from time to time determine, and such additional

remuneration and further remuneration shall be divided amongst 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 amongst the Directors equally.

- (2) The Board of Directors may in addition allow and pay to any Director who is not a bonafide resident of the place where a meeting of the Board or Committee or a General Meeting of the Company is held, and who shall come to that place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for his traveling, hotel, boarding, lodging and other expenses incurred in addition to his fee for attending or returning from meeting of the Board of Directors or any Committee thereof or General Meeting of the Company.
- (3) Subject to the limitations provided by the Act and the Article, if any Director shall be called upon to go or reside out of his usual place of residence on the Company's business or otherwise perform extra services outside the scope of his ordinary duties, the Board may arrange with such Director for such special remuneration for such service either by way of salary, commission or the payment of a stated sum of money as they shall think fit, in addition to or in substitution of his remuneration above provided, and all the Directors shall be entitled to be paid or reimbursed or repaid any traveling, hotel and other expenses incurred or to be incurred in connection with the business of the Company and also to be reimbursed all fees for filing all documents which they may be required to file under the provisions of the Act.

137. The continuing Directors may act notwithstanding any vacancy in their body but subject to the provisions of the Act, if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Continuing Directors may act for the purpose of increasing the number of Directors to the minimum fixed or for summoning a General Meeting of the company.

“Directors may act notwithstanding vacancy”

138.(1) Subject to the provisions of Section 283(2) of the Act, the office of a Director shall become vacant if :

“When office of Director to become vacant”

- (a) He is found to be of unsound mind by a Court of competent jurisdiction ; Or
- (b) He applies to be adjudicated an insolvent; or
- (c) He is adjudged an insolvent; or
- (d) He fails to pay any call made on him in re-spect of shares of the Company held by him whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official Gazettee removed the disqualification incurred by such failure; or
- (e) He holds any office or place of profit under the Company or any subsidiary thereof in contravention of Section 314 of the Act; or

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

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

(h) He is removed in pursuance of Section 284 of the Act' or

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

(j) He acts in contravention of Section 299 of the Act, and by virtue of such contravention shall have been deemed under the Act to have vacated officer' or

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

- (1) He having been appointed a Director by virtue of his holding any office or other employment in the Company, ceases to hold such office or other employment in the Company.
- (2) Subject to the provisions of the Act, a Director may resign his office at any time by Notice in writing addressed to the Company or to the Board.

139.(1) Subject to the provisions of sub-clauses (2), (3), (4) and (5) of this Article and the restrictions imposed by Article 140 and the other Articles hereof and the Act and the observation and fulfillment thereof, no Director shall be disqualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as vendor, purchaser, agent, broker, underwriter of shares and debentures of the Company or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the company in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that offices, or of the fiduciary relationship thereby established, but it is hereby declared that nature of his interest must be disclosed by him as provided by sub-clauses(2), (3), and (4) hereof.

(2) Every Director who is in any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement entered in to or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at meeting of the Board of Directors or as provided in sub-clause (3) hereof.

(a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under sub-clause (2)

“Directors may contract with Company”



above shall be made at the meeting of Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting, concerned or if the Director was not at the date of the meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board, held after he becomes so concerned or interested.

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

- (3) For the purpose of this Article, a General Notice given to the Board of Directors by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the Notice be entered into with that body corporate or firm shall be deemed to be sufficient disclosure of such concern or interest in relating to any contract or arrangement so made. Such General Notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of by a fresh notice given in the last month of the financial year in which it would have otherwise expired. The General Notice as aforesaid and any renewal thereof shall be of no effect unless either it is given at a meeting of the Board of Directors or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (4) Nothing containing in sub-clauses (2) and (3) hereof shall apply to any contract or arrangement entered into, or to be entered into between the Company and any other company where any one of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid up share capital in the other company.
- (5) A Director shall not take any part in the discussions of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the company, if he is in any way directly or indirectly, concerned or interested in the contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote, his vote shall be void, provided that this prohibition shall not apply;
  - (i) To any contract or indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company.
  - (ii) To any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely in his being a Director of such company and the holder of not more than shares of such number or value

therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company or in his being a member holding not more than two percent of the paid-up share capital of such company.

(iii) In case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.

- 140.(1) The Company shall keep one or more Registers in accordance with Section 301 of the Act in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or Section 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely:-
- (a) The date of the contract or arrangement
  - (b) The names of the parties thereto;
  - (c) The Principal terms and conditions thereof.
  - (d) In the case of a contract to which section 297 of the Act applies or in the case of a contract or arrangement to which sub-section(2) of section 299 of the Act applies, the date on which it was placed before the Board.
  - (e) The names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral
- (2) Particulars of every such contract or arrangement to which section 297 of the Act, or as the case may be, sub-section (2) of Section 299 of the Act applied, shall be entered in the relevant Register as aforesaid:
- (a) In the case of a contract or arrangement requiring the Board's approval with in seven days (exclusive of Public Holidays) of the meeting of the Board at which the contract for arrangement is approved:
  - (b) In the case of any other contract or arrangement within seven days of the receipt at the Registered Office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement whichever is later; And the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.
- (3) The Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.
- (4) Nothing in the foregoing sub-clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of services does not exceed five thousand rupees in the aggregate in any year.
- (5) The Registers aforesaid shall be kept at the Registered Office of the Company and they shall be open to inspection at such office and extracts may be taken from any of them and copies thereof may be required by any member of the Company to the same extent in the same manner and on payment of the same fees as in the case of the Register of Members.

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| 141. | A Director of the Company may be or become a Director of any company promoted by the company, or in which it may be interested as a vendor, member or otherwise and subject to the provisions of the Act and these Articles, no such director shall, subject to the applicable provisions of the act, be accountable for any benefits received as a Director or member of such company.   | “Directors may be Directors of companies promoted by the company” |
| 142. | A Director, Managing Director, Manager or Secretary of the Company shall within fifteen days of his appointment to or relinquishment of his office as Director, Managing Director, Manager or Secretary in any other body corporate disclose to the company the particulars relating to his office in the other body corporate which are required to be specified under section 303(1) of the Act. The Company shall enter the aforesaid particulars in a Register kept for that purpose in conformity with Section 303 of the Act.   | “Disclosure by Directors etc. of appointment”                     |
| 143. | Every Director shall give notice in writing to the Company of his holding of shares and debentures of the company or its subsidiary, together with such particulars as may be necessary to enable the Company to comply with the provision of the section 307 of the Act. If such notice be not given at a meeting of the Board,, the director or manger shall take reasonable step to secure of the Board, the director or manager shall take reasonable step to secure that it is brought up and read at the meeting of the board. The Company shall enter the particulars of the directors holding of shares and debenture as aforesaid in a Register kept for that purpose in conformity with section 307 of the Act. | “Disclosure of Holdings”  |
| 144. | No Directors of the company and no partner or relative of such director no firm in which such director or a relative of such Director is a Director, or member, and no Director or manager of such a private company, shall hold any office or place of profit under the Company, or any subsidiary of the company except as provided in and subject to the limitations and restrictions contained in Section 314 of the Act.   | “Holding of office of profit by Directors”                        |
| 145. | A Director of the company or his relative, a firm in which such Director of relative is a partner, or any other partner in such a firm or a private Company in which the Director is a Member or Director shall not enter into any contract with the Company.<br>(a) for the sale, purchase or supply of any goods, materials or services; or<br>(b) for underwriting the subscription of any shares in or debentures of the Company except as provided in and subject to the limitations and restrictions contained in Section 297 of the Act.   | “Contracts in which Directors are interested”                     |

RETIREMENT OF AND ROTATION OF DIRECTORS

- 146.(1) Subject to the provisions of Section 255 of the Act, all Directors of the Company, (other than the Directors, if any, appointed pursuant to Article 127, 128, 130 and 131) shall be elected by the members in general meeting and shall be liable to retire by rotations as hereinafter provided. The Directors shall be so appointed by the company in general meeting and/or by the Board in accordance with the relevant applicable provisions of the Act and these Articles.
- (2) Every Annual General Meeting 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, then the number nearest to one-third shall retire from office.
147. Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the forgoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the meeting at which his reappointment is decided or his successor is appointed.
148. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for election.  
Re-election”
149. Subject to the provisions of the Act, the Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Directors or some other person thereto.
- 150.(1) If the place of retiring Directors is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is public holiday till the next succeeding day which is not a public holiday. At the same time and place.
- (2) If at adjourned meeting also the place of retiring Director or Directors is not filled up and that meeting also has not expressly resolved not to file the vacancy, the retiring Director or Directors shall be deemed to have been reappointed at the adjourned meeting unless.
- (a) at the meetings or at the previous meeting a resolution for the reappointment of such Director or Directors has been put to the meeting and lost.
- (b) the retiring Director or directors has or have by a notice in writing addressed to the Company or its Board of Directors the
- “Retirement of Directors by rotation”
- “Ascertainment of Directors retiring by rotation”
- “Eligibility for
- “Company to fill up vacancy”
- “Provisions in default of appointment”

Company or Its Board of directors expressed his or their unwillingness to be so reappointed.

(c) he is or they are not qualified or he is or they are disqualified for appointment.

(d) a resolution whether special or ordinary, is required for their appointment or reappointment by virtue of any provisions of the Act.

(e) article 138 or sub-section (2) of Section 283 is applicable to the case.

151.(1) Subject to the provisions of the Act and these Articles any persons who is not a retiring Directors shall be eligible for appointment to the office of Directors at any General Meeting he or some member intending to propose him has, at least fourteen clear days from the meeting left at the Registered Office of the company a notice in writing under his hand signifying his candidature for the office of Directors or the intention of such member to propose him as a candidate for that office as the case may be.

“Notice of candidature for office of Directors”

(2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the company a notice under sub-clause (1) of this Article or section 257 signifying his candidature the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director if appointed.

(3) On receipt of the notice referred to in this Article, the Company shall inform its members of the candidature of that person for the office of a Director or of the intention of a member to propose such person as a candidate for that office by serving individual notices on members not be necessary for the Company advertises such candidature or intention not less than seven days before the meeting in at least to newspapers circulating in the City, town or village in which the registered office of the company is situate of which one is published in the English language and the other in the regional language.

(4) A person other than:

(a) A Director re-appointed after retriment 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 under Section 262 of the act, appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office; or

(c) a person named as a Director of the Company under these Articles as first registered, shall not act a Director of the company unless he has within thirty days of appointment signed and filled with the Register his consent in writing to act as such Director.

152. At a General Meeting of the company, a motion shall not be made for the appointment of two or more persons as Directors of the made has first been agreed to by the meeting without any vote

“Individual Resolution for Directors

being given against it. A resolution moved in contravention of this Articles shall be void whether or not objection was taken at the time to its being so moved. Provided that where a resolution so moved is passed no provision for the automatic re-appointment shall apply.

appointment”

- 153.(1) The Company may, subject to the provisions of Section 284 and another applicable provisions of the Act and these Articles, remove any Director before the expiry of his period of office.
- (2) Special notice as provided by Articles 96 and Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (3) On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned make, with respect thereof representation in writing to the company (not exceeding a reasonable length) and requests its notification is received by it too late for it to do so (a) in the notice of the resolution given to the members of the company states the fact of the representation having been made and (b) send a copy of the representation to every member of the company and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company’s default the Directors may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting.  
Provided that copies of the representation shall not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
- (5) A vacancy created by the removal of a Director under this Article may, if he has been appointed by the Company in General Meeting or by the Board in pursuance of Articles 137 of section 262 of the Act be filled by the appointment of another Director in his place by the meeting at which he is removed provided special notice of the intended appointment shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.
- (6) If the vacancy is not filled under the sub-section (5) it may be filled as a Casual Vacancy in accordance with the provisions (in so far they are applicable) of Articles 137 or section 262 of the Act and all the provisions of that Section shall apply accordingly.
- (7) A Director who was removed from office under this Article shall not be reappointed as a Director by the Board of Directors.

“Removal of Directors”

- (8) Nothing contained in this Article shall be taken:-
- (a) As depriving a person removed there under of any compensation or damages payable to him in respect of the terminal of his appointment as Director or a any appointment terminating with that as Director; or
- (b) As derogating from any power to remove a Director which may exist apart from this Article.
154. The Director may resign by giving letter to the Board of Directors and shall be effective from the date of receipt of the said letter by the Company. “Resignation”
155. Subject to the provisions of the Act and these Articles, the Company may be Ordinary Resolution from time to time to increase or reduce, within the maximum limit permissible, the number of Directors provided that any increase in the number of Directors exceeding 12 shall not have any effect unless approved by the Central Government and shall become void if and in so far as it is disapproved by the Government. “The Company may increase or reduce number of Director
156. The Directors may meet together as a Board from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which has been called in compliance with the terms herein mentioned could not be held for want of quorum. “Meeting of Directors”
157. A notice of every meetings of the Board shall be given to each directors including alternate director by mail, telex or telegram. Such notice shall be accompanied by the Agenda setting out the business proposed to be transacted at the meeting. “Notice of Meeting Of Board of Directors
158. Subject to the provision of Section 287 and other applicable provisions (if any) of the Act, the quorum for a meeting of any Board of Directors shall be one third of the total strength of the Board of Directors (excluding director’s if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or three Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors, that is to say the number of Directors who are not interested and are present at the meeting not being less than three shall be the quorum during such meeting. A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all or any of authorizes, powers and discretions by or under the Act or the articles of the Company, for the time being vested in or exercisable by the Board of Directors generally. “Quorum”

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| 159.    | If a meeting of the Board of Directors cannot be held for a want of a quorum then the meeting shall stand adjourned to such other day, time and place as may be fixed by the Chairman and in default of such appointment to the same day is a public holiday till the next succeeding day which is not a public holiday at the same time and place.   | “Adjournment of meeting for want of quorum” |
| 160.    | The Chairman of the Company shall be appointed by the Board and he shall be entitled to take the chair at every meeting of the Board. If no Chairman is appointed, or if at any meeting of the Board, the Chairman shall not be present at the time appointed for holding the same or if he shall be unable or unwilling to take the Chair, then the Directors may elect one of their members to be the Chairman of the meeting.  | “Who to preside at Board Meeting”           |
| 161.    | Questions arising at a Meeting of the Board of Directors or thereof shall be decided by a majority of the votes, and in the case of an equality of votes, the Chairman shall have a second or a casting vote.   | “Questions of Board Meeting, how decided”   |
| 162.    | Subject to the provisions of Sections 292 of the Act and these Articles, the Board may delegate any of their powers to committees of the Board consisting of such number its body, any as it thinks fit and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purpose; but every Committee of the board so formed shall, in the exercise of the powers so delegated to it conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not either otherwise, shall have the like force and effect as if done by the Board, Subject to the provisions of the Act and these Articles, the Board may from time to time fix the remuneration to be paid to any members of their body constituting a Committee appointed by the Board in terms of those Articles and may pay the same. | “Directors may appoint committees”          |
| 163.    | The meetings and proceedings of any such Committee of the Board shall be governed by the provisions herein contained in respect of 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 last preceding Article.   | “Meeting of committees how to be convened”  |
| 164.(1) | A resolution passed by Circular without a meeting of the Board or a Committee of the Board appointed under Article 162 shall,   | “Resolution by circulation”                 |



subject to the provisions of sub-clause (2) hereof and the act be as valid and effectual as a resolution duly passed at a meeting of the Board or of its committee duly called and held.

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

165. Subject to the provisions of the Act and these Articles, all acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as aforesaid or that they or any of them were or was disqualified, or had vacated office to that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles may be as valid as if every such person had been duly appointed and was qualified to be a Director, and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by the Directors after their appointment had been shown to the Company to be invalid or to have been terminated.

“Act or Board or commission notwithstanding defect in appointment”

166. The Company shall cause minutes of the Board of Directors and of committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 193 of the Act. The minutes shall contain a fair and following
- (i) The names of the Directors present at the meeting of the Board of Directors or any Committee thereof;
  - (ii) All orders made by the Board of Directors.
  - (iii) All resolution and proceedings of the Board of Directors and Committees thereof.
  - (iv) In the case of each resolution passed at a meeting of the Board of Directors or Committee thereof the names of Directors if any, dissenting from or not concurring in the resolution.

“Minutes of proceedings of Board of Directors and committees to be kept”

167. All such minutes shall be signed by the Chairman of the concerned meeting or by the person who shall preside as chairman at the next succeeding meeting and all minutes purported to be signed shall for all purpose whatsoever be prima facie evidence of the actual passing of the resolution recorded, and the actual and regular transaction or occurrence of the proceedings so recorded and of the

regularity of the meeting at which the same shall appear to have taken place.

## POWERS OF DIRECTORS

168. The business of the Company shall be managed by the Directors who may exercise all such powers of the company and do all such acts and things as are not by the Act, or any statutory modification thereof for the time being in force, or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
169. The Board of Directors shall not, except with the consent of the Company in General Meeting.
- (a) Sell, lease or otherwise dispose of the whole or Substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking (b) remit or give time for the repayment of any debt due by a Director (c) Invest, otherwise than in trust securities, the amount of compensation received by the company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (a) above or of any premises of properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- (d) Borrow money in excess of the limits provided in Article 77.
- (e) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceeding, whichever is greater.
- 170.(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and it shall do so only by means of resolutions passed at meetings of the Board.
- (a) The power to make calls on share holders in respect of money unpaid on their shares;
- (b) The power to issue debentures;
- (c) The power to borrow money otherwise than on debentures;
- (d) The power to invest the funds of the company;
- (e) The power to make loans.
- “General powers of management vested in Directors”
- “Certain Powers to be exercised by Board only at Meetings”

Provided that the Board may, by a resolution passed at a meeting delegate to any committee of Directors or the Managing Director or any other principal officer of the Company or to a principal officer of any of its branch offices, the powers specified below on each conditions as the Board may express.

(2) Every resolution delegating the power referred to in Sub-Clause (1)(e) shall specify the total amount up to which loans, up to which money may be borrowed by the delegate. Provided however, that where the Company has an arrangement with its bankers for the borrowing of money by way of overdraft, cash credit, or other accounts, the actual day to day operation on overdraft, cash credit or other account, by means of which the arrangement as made is actually availed of shall not require the sanction of the Board.

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

(4) Every resolution delegating the power referred to in sub-clause (1)(c) above shall specify the total amount outstanding at any one time as may be borrowed, the purposes for which the loans may be made and the maximum amount of loans which may be made.

(5) Nothing contained in these Articles shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the Powers referred to in sub-clause (a), (b), (c), (d) and (e) of clause (1) above.

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| 171. | Without prejudice to the powers conferred by Articles 81 and 168 and so as not in any way to limit or restrict these powers and without prejudice to the other persons conferred by these Articles but subject to the restrictions contained in Articles 169 and 170, it is hereby declared that the Directors shall have the following powers, that is to say power | “Certain Powers of the Board”                         |
| (1)  | To pay and all costs, charges and expenses preliminary and incidental to the promotion, establishment and registration of the Company and to the issue of further capital.   | “To pay preliminary and promotional Cost and charges” |
| (2)  | To pay and charge and expenses preliminary and incidental to the promotion, establishment and registration of the provisions of Section 76 and 208 of the Act and Articles 26 and 184.   | “To pay and charge commission and interest”           |
| (3)  | Subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the company and property, rights or privileges which the company is authorized to acquire, at or for such price or consideration and such purchase or other acquisition such title as the Directors may believe or may be advised to be reasonably satisfactory.        | “To acquire property”                                 |
| (4)  | 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   | “To pay for property in cash, debenture or otherwise” |

shares, bonds debentures, debenture-stock , mortgage 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, mortgage or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital not so charged.

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| (5)  | To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper, all or any part of the buildings, plant, machinery, goods, vessels, vehicles, stores, produce and all other moveable and immoveable property of the company either separately or conjointly' also to insure all or any portion of the goods, produce, machinery, and other articles imported or exported by the Company and to effected in pursuance of this power. | “To insure properties of the Company”             |
| (6)  | To open accounts with any bank or bankers or with any company or firm or individual and to pay money into and draw money from or otherwise operate any such account from time to time as the Board may think fit.   | “To open accounts with Banks”                     |
| (7)  | To secure the fulfillment of any contract or engagements entered into by the company by mortgage or charge of all or any of the properties of the company and its unpaid capital for the time being or in such other manner as they think fit.  | “To secure contracts by mortgage etc”             |
| (8)  | To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered.   | “To attach conditions as to Transfer of shares”   |
| (9)  | To accept from any member, as far as may be permissible by law, a surrender of his shares or stock or any part thereof, on such terms and conditions as shall be agreed.  | “To accept surrender of shares”                   |
| (10) | To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the company any property belonging to the company or in which it is interested, or for any other purposes, and to execute and do all such 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 appoint trustees”                             |
| (11) | To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any debt due, or of any claims or demands by or against the Company.  | “To bring and defend suits and legal proceedings” |
| (12) | To refer any claims or demands by or against the company or any disputes or differences to arbitration and observe, perform and execute any awards made thereon.  | “To refer to arbitration”                         |
| (13) | To act on behalf of the Company in all matters relating to bankrupts and insolvents.  | “To act in Insolvency matters”                    |
| (14) | To make and give receipts, release and other discharges for money payable to the company and for the claims and demands of the company.   | “To gives receipts”                               |
| (15) | To determine from time to time who shall be entitled to sign on the   | “To authorize                                     |

- company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases contracts and documents and to give the necessary authority for such purposes.
- (16) Subject to the provisions of the Act and these Articles to invest and deal with any money of the company not immediately required for the purposes thereof, upon such securities and other investments (not being shares of the company) or without securities and in such manner as they may think fit, and from time to time to vary or realize such investments, provided that save as permitted by section 49 of the Act, all investments shall be made and held by the Company in its own name.
- (17) To execute in the name and on behalf of the Company, in favor of any director or other person who may incur or be about to incur any personal liability whether as principal or as surety for the benefit of the company such mortgage of the company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants, provisions and agreements as shall be agreed.
- (18) To distribute by way of bonus among the staff of the Company as part of the profits of the company, and to give any officer or other person employed by 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.
- (19) Subject to the provisions of the Act, to give to any officer or other person employed by the company an interest in any particular business or transaction by way of a share in the general profits of the company and such share of profits shall be treated as part of the working expenses of the Company.
- (20) To provide for the welfare of employees or ex-employees of the company and its Directors or ex-Directors and the wives, widows and families or the dependants of such persons, by building or contributing to the building of houses, dwellings or quarters or by grant of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payment or by creating and from time to time subscribing or contributing to provident and other funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of, instruction and recreation, hospitals and dispensaries, medical and other attendances and other forms of assistance, welfare or relief as the Directors shall think fit and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other institutions or objects which shall have any moral or other claim to support or aid by the company either by reason of locality of operation or of public aid and general utility or otherwise.
- (21) Before recommending any dividend, to set aside out of the profits of the company such sums as they may think proper for depreciation or to create a Depreciation Fund, Insurance Fund,
- acceptance”
- “To invest Money”
- “To execute mortgages”
- “To distribute bonus”
- “Sharing profits”
- “To provide for welfare of employees and to subscribe to chartable and other funds”
- “To create depreciation and other funds”

General Reserve Fund, Reserve Fund, Sinking or any special or other fund or funds or account or accounts to meet contingencies, or for repairing, improving extending and maintaining any part of the property of the Company, and/or for such other purposes (including the purposes referred to in the last two preceding sub-clause) as the Board may in its absolute discretion think conducive to the interests of the company and to invest the several sums so set aside or so much thereof as are required to be invested upon such investments(subject to the restriction imposed by the Act and these Articles) as the Directors may think fit and from time to time to deal with and vary any such investment and dispose of any investment all or any part thereof for the benefit of the company, in such manner and for such purposes as the Board (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the company notwithstanding that the matter to which the Directors apply or upon which they expend the same or any part thereof may be matters to our upon which the capital money of the company might rightly be applied or expended and to divide the Reserve, General Reserve or the Reserve Funds into such special funds as the Directors may think fit, with full power to transfer the whole or any portion of Reserve Fund and to employ the assets constituting all or any of the above funds or accounts including the Depreciation Fund appropriated out of the net profits in the business of the Company or in the purchase or repayment of Redeemable Preference Shares, Debentures or Debenture-Stock and that without being bound to keep the same separately from the other assets, and without being bound to pay or allow interest on the same with power however to the Board at its discretion to pay or allow to the credit of such fund, interest at such rate, as the Directors may think proper.

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| (22) | Subject to the provisions of the Act, to appoint and at their discretion to remove or suspend such manager, secretaries, officers, clerks, agents & servants for per 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, or remunerations, and require security in each instances and to such amounts as they may think fit, and also without prejudice as aforesaid from time to time, provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in sub-clauses (24), (25), (26) following shall be without prejudice to the general powers conferred by this sub-clause. | “To appoint employees”      |
| (23) | To comply with the requirements of any local law which the Company is not bound to comply with, but which in their opinion it shall be in the interest of the company necessary or expedient to comply with.   | “To comply with local laws” |
| (24) | From time to time, and at any time to establish any local Board for managing any of the affairs of the company in any specified  | “To establish local Board”  |

locality in India or elsewhere and to appoint any person to be members of such Local Board, or managers or agents and to fix their remuneration.

- (25) Subject to the provisions of Section 292 of the Act and Article 166 from time to time, and at any time to delegate to any such Local Board, or any member or members thereof or any managers or agents so appointed, any of the powers, authorities and discretions for the time being vested in the Board of Directors, and to authorize the members for the time being of any such Local Board, or any of them to fill up any vacancies therein, and to act notwithstanding such vacancies; and any such appointment or delegation under the preceding and this sub-clause may be made on such terms and subject to such conditions as the Board of Directors may think fit and the Board of Directors may at any time remove any person so appointed, and may annul or vary any such delegation. “power of attorney”
- (26) 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 Board of Directors under these presents and excluding the powers which may be exercised only by the Board of Directors at a meeting of the Board under the act or these articles or by the Company in General Meeting and for such period and subject to such conditions as the Board of Directors may from time to time think fit, and any such appointment may (if the Board of Director think fit) be made in favour of the members or any of the members of Local Board established as aforesaid or in favour of any Company, or the members, directors, nominee or managers of any Company, form or otherwise infavour of any body of persons whether nominated directly or indirectly by the Board of Director and any such powers of Attorney may contain such power for the protection or convenience of persons dealing with such Attomeys as the Board of Directors may think fit and may contain powers enabling any such delegate or attomeys as aforesaid to such delegates all or any of the powers and authorities for the time being vested in them. “Power of Attorney”
- (27) Subject to the provisions of the Act and these Articles, to delegate all or any of the powers, authorities and discretions for the time being vested on the Directors to any person, firm, company, otherwise to fluctuating body of persons as aforesaid. “To delegate powers”
- (28) Subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purpose 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 Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the company. “To enter into contracts etc”

## MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

172. Subject to the provisions of the act and of these Articles the Board may from time to time appoint one or more of its members as Managing Director or Managing Directors or Whole time Director or Whole time Directors of the company for a fixed terms not exceeding five years at a time and upon such terms and conditions as it may think fit, subject to the provisions of the act the Board may by resolution vest in such Managing Director or Whole time Director or Whole time Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such restrictions as it may determine.
173. The Managing Director or Managing Directors or the Whole time Director or Whole time Directors shall not exercise the power to:-
- (a) make calls on share holders in respect of money unpaid on their shares in the Company, and
- (b) issue debentures and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, the Managing Director or Managing Directors or Whole time Director or Whole time Directors shall also not exercise the powers to :-
- (i) borrow money
- (ii) invest the funds of the Company, and
- (iii) make loans:
174. Subject to the provisions of the Act and these Articles, the Managing Director or Managing Directors or whole time-Director or whole time Directors shall, not while he or they continue to hold that office be subject to retirement by rotation but he or they shall subject to the provisions of any contract between him or them and the Company, to subject to the same provisions as to resignation and removal as the other Directors of the Company and he or they shall ipso facto and immediately cease to Managing Director or Managing Directors or Whole time Director or Whole time Directors if he or they cease to hold the office of Directors for any cause.
175. Subject to provisions of the Act and these Articles, the remuneration of the Managing Director or Managing Directors or Whole time Director or whole time Directors shall be in accordance with the terms of his or their contract with the Company.
176. Subject to provisions of the Act and to the terms of any Resolution of the Company in General Meeting or of any resolution of the Board and to the terms of any contract with him or them, the Managing Director or Managing Directors shall have substantial power of management subject to the superintendence, control and Direction of the Board.
- “Board may appoint Managing Director and whole-time Directors”
- “Restriction on powers of Managing or Whole time Directors”
- “Provisions for the Managing and whole time Directors”
- “Remunerations of the Managing Directors or Whole time Director”
- “Powers and Duties of Managing Director



## SECRETARY

177. The Directors shall appoint a Whole time Secretary of the Company for such terms at such remuneration and upon such condition as they may think fit and any Secretary so appointed may be removed by them. The main function of the Secretary shall be the responsibility for maintaining Registers required to be kept under the Act and these Articles, for making the necessary returns to the Registers of Companies under the Act and these Articles and for getting the necessary documents registered with the Registrar and for carrying out all other administrative and ministerial acts, duties and functions which Secretary of a Company is normally supposed to carry out such as giving the necessary notices to the members, preparing the agenda of meetings, issuing notices to Directors, preparing minutes of meeting of members and Directors and of any committees of Directors and maintaining minute books and other statutory documents and, he shall carry out and discharge such other functions and duties as the Directors or the Managing Director may from time to time require him to do. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the Registers required to be kept by the Company. “Secretary”
- 178.(1) The Company shall maintain all registers, Books and documents as required by the Act or these Articles including the following, namely:-
- (a) Register of investments not held in the Company’s name according to Section 49 of the Act.
  - (b) Register of Mortgages, Debentures and charges according to Section 143 of the Act:
  - (c) Register of Members and an index of Members according to Section 150 and 151 of the Act:
  - (d) Register and Index of debenture- holders according to Section 152 of the Act.
  - (e) Register of Contracts, Companies and Firms in which Directors are intered according to Section 301 of the Act.
  - (f) Register of the Directors and Managing Directors according to Section 303 of the Act.
  - (g) Register of Share holdings and Debenture holding of Directors according to section 307 of the Act.
  - (h) Register of loans made, guarantees given or securities provide according to section 307 of the Act.
  - (i) Register or Investments in share or debentures of Body corporate according to Section 373 of the Act.
  - (j) Books of Account in accordance with the provisions of Section 209 of the Act;

(k) Copies of instruments creating any charge requiring registration according to Section 136 of the Act.

(l) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of the Certificate required under Section 161;

(m) Register of Renewed and Duplicate Certificates according to Rule 7(2) of the Companies (Issue of Share Certificate) Rules, 1960.

(2) The said Registers, Books and Documents shall be maintained in conformity with the applicable provisions of the Act and these Articles and shall be kept open for inspection for such persons as may be entitled thereto respectively, under the Act and these Articles on such persons as may be entitled thereto respectively, under the Act and these Articles on such days and during such business hours as may in that behalf be determined in accordance with the provisions of the Act and these Articles and extracts therefrom shall be supplied to those persons entitled thereto in accordance with the provisions of the Act and these Articles.

(3) The Company may keep a Foreign Register of Members in accordance with Section 157 and 158 of the Act subject to the provisions of sec 157 and 158 of the Act. The Directors may from time to time make such provisions as they may think fit in respect of keeping of Branch Registers of Members and/or Debenture-holders.

#### THE SEAL

179. The Board shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the Authority of the Board or a Committee of the Board previously given and in the presence of one of the Directors of the Company.

“Seal of the Company”

180. Every deed or other instrument to which the Seal of the Company is required to be affixed only under the authority of the Directors previously given and in the presence of one Director provided nevertheless that certificate of share shall be sealed as provided as per the Article in that regard hereinbefore contained in accordance with the Companies (Issue of Share Certificates) Rules, 1960, or any statutory modification or re-enactment thereof for the time being in force.

“Deeds how executed”

181. The Company may exercise the powers conferred by Section 50 of the Act and such power shall accordingly be vested in the Directors.

“Seals abroad”

#### INTEREST OUT OF CAPITAL

182. Where any share are issued for the purpose of raising money to defray the expenses of the construction of any works or building or

“Payment of interest out of

the provision of any plant which cannot be made profitable for a lengthy period, the company may pay interest on such sum of that share capital as is for the time being paid up for the period, at the rate, and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the works or building or the provisions of the plant.

capital”

#### DIVIDENDS

183. The profits of Company subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up on the shares held by them respectively. Provided always that any capital paid up or credited as paid up on a share during the period in respect of which a dividend is declared shall, unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share. “Division of Profits”
184. Where capital is paid up in advance on calls upon the footing that the same shall carry interest such capital shall not whilst carrying interest confer a right to dividend or to participate in profits. “Capital paid in advance at interest Not to earn dividend”
185. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money uncalled and unpaid upon any shares held by him; and upon all or any of the money so advance may (until the same would, but for such advances, become presently payable) pay interest at such rate (not exceeding, without the sanction of the Company in General Meeting 15 percent as may be agreed upon between the member paying the sum in advance and the Directors. “Interest on calls paid in advance”
186. The Company in Annual General Meeting may, subject to the provisions of Sec 205 of the Act, 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, may fix the time for payment. When a dividend has been so declared subject to the provisions of section 207 of the Act either the dividend shall be paid or the warrant in respect thereof, shall be posted within 42 days of the date of declaration to the share holders entitled to the payment of the same. “The Company in General Meeting may declare dividend”
187. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No Dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company or otherwise than in accordance with the provisions of Section 205, 205A, 206 and 207 of the Act, 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. “Power of General Meeting to limit dividend”

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| 188. | Subject to the provisions of the Act the Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.   | “Interim Dividend”   |
| 189. | Subject to the provisions of the Act the Directors may retain the dividends payable upon any shares in respect of which any person is under Article 62 hereof entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same. The provisions of these Articles shall apply to any interest created in a share either by reason of transmission, by operation of law or otherwise.  | “Retention of dividend until completion of transfer”   |
| 190. | 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 time to time the Company in respect of such share or shares or otherwise, howsoever, either alone or jointly with any other person or persons 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.  | “No member to receive dividend whilst indebted to the company and Company’s right of reimbursement there from” |
| 191. | A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.  | “Right to dividend Pending registration of transfer”   |
| 192. | Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the Registered address of the member or person entitled or in case of joint holders to that one of the first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the members or other person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. | “Dividends how remitted”   |
| 193. | The Company shall duly comply with the provisions of Section 205A of the Act in respect of a dividend declared by it but which has not been paid or the warrant in respect thereof has not been posted within forty-two days from the date of declaration to any share holder entitled to the payment of the Dividend. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provisions of Section 205-A and 205-B of the Act in respect of the unclaimed or unpaid dividend.   | “Unpaid dividend”  |
| 194. | Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the member for  | “Dividend and call together”   |

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

#### RESERVE AND CAPITALISATION

195. The Board may, before recommending any dividend set aside out of the profits of the company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or as may be permitted by the Act, applied for payment of dividend or be invested in such investments and in such manner or as may be permitted by the Act and as the Board may from time to time think fit. “Reserves”
- 196.(1) Any General Meeting of the Company on the recommendation of the Board may resolve that any amounts standing to the credit of the Share Premium Account, the Capital Redemption Reserve Account, or any money, investments or other assets forming part of the undivided profits (including profits or surplus money 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 or any other Reserve or Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend be capitalized, “Capitalization”
- (a) By the issue and distribution of shares of the company as fully paid up and to the extent permitted by the Act, debentures, debenture-stock, bonds, or other obligations of the Company, or
- (b) By crediting shares of the Company which may have been issued to and are not fully paid up, with the whole or 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 Accounts shall be applied only in crediting the payment of capital or shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.
- (2) Such issue and distribution under sub-clause(1)(a) above and such payment to credit of unpaid share capital under sub-clause(1)(b) above shall be made to amongst and in favor of the members or any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under such clause (1)(a) or

payment under sub-clause (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 shall apply such portion of the profits, General Reserve or other Reserve or any other Fund or Account as aforesaid as may be required, for the purpose of making payment in full of the shares, debentures, debenture-stock, bonds or other obligations of the Company so distributed under sub-clause (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 sub-section (1)(b) above.
- (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 make 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) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalization 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 but so that, as between the holders of the fully paid shares and the partly paid shares, the sum so applied on 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 then already paid or credited as paid on the existing fully paid on partly paid shares respectively.
- (6) 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.

#### ACCOUNTS

- 197.(1) As required by Section 209 of the Act, the Company shall keep at its Registered Office proper Books of Accounts with respect to:-
  - (a) All sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
  - (b) All sales and purchases of goods by the Company; and
  - (c) The assets and liabilities of the Company;

“Books of accounts to be kept”

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

- (2) If the Company shall have a branch office, whether in or outside India, proper Books of Account relating to the transactions effected at that office shall be kept at that office and proper summarised returns, made up to date at intervals of not more than three months, shall be sent by the branch office of the Company to its registered office or other place in India, as the Board thinks fit, where the main books of the Company are kept.
- (3) All the aforesaid books shall give a true and fair view of the affairs of the Company or its branch office, as the case may be with respect of the matters aforesaid, and explain its transactions.
- (4) The Books of Account and other books and papers shall be open to inspection by any Director during business hours.
198. The Books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such Books of Account shall be preserved by the Company in good order. “Books of accounts to be preserved”
199. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books 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 of inspecting any account books or document of the Company except as conferred by law or authorized by the Board. “Inspection to members of Accounts and Books of the Company”
200. At every Annual General Meeting, the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act and such Balance Sheet and profit & Loss account shall comply with the requirements of Section 210, 211, 213, 215, 216 and of schedule VI of the Act so far as they are applicable. “Accounts to be furnished at General Meeting”
201. There shall be attached to every Balance Sheet laid before the Company a Report by the Board of Directors complying with the provisions of Section 217 of the Act. “Directors report”
202. The Company shall comply with the requirements of section 219 of the Act. “Right of Members To copies of Balance sheet and Audit Report”
- ANNUAL RETURNS
203. The Company shall make and file the requisite Annual Returns in accordance with the provisions of Section 159 and 161 of the Act. “Annual Returns”
- AUDIT
204. Once at least in every year the Books of Account of the Company shall be examined by one or more Auditor in accordance with the relevant provisions contained in that behalf in the Act. “Accounts to be Audited”

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| 205. | The appointment, qualification, powers, rights, duties and remuneration of the Auditors shall be regulated by and in accordance with Section 224 to 231 (both inclusive) of the Act.   | “The appointment, power etc. of Auditors”   |
| 206. | Every Account when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein with in three months next after, the approval whether any such error its discovered within that period, the Account shall forthwith be corrected and henceforth shall be conclusive. | “Account when audited and approved to be conclusive except as to errors Discovered within three months” |

DOCUMENTS AND SERVICE OF DOCUMENTS

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| 207.(A) | A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgment or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him at his registered address or (if he has no registered address in India) at the address, if any within India supplied by him to the Company.   | “Manner of service”  |
| (B)     | Where a document is sent by post:-<br>(a) Service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice provided that documents should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and<br>(b) Such service shall be deemed to have been effected.<br>(i) In the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the notice is posted; and<br>(ii) In any other case, at the time at which the letter would be delivered in the ordinary course of post. |  |
| 208.    | If member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him, a document advertised in newspaper circulating in the neighbourhood 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 members having no registered address”                      |
| 209.    | A document may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased or Assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming   | “Service on person acquiring shares on death or insolvency of members” |



to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

210. Subject to the provisions of the Act and these Articles notices of General Meetings shall be given:
- (i) To members of the Company as provided by Articles 93 in any manner authorized by Article 96 or as authorized by the Act.
  - (ii) To the person entitled to a share in consequence of the death or insolvency of a member as provided by Article 209 or as authorized by the Act.
  - (iii) To the Auditor or Auditors for the time being of the Company, in any manner authorized by Articles 96 or as authorized by the Act as in the case of any member or members of the Company.
211. Subject to the provisions of the Act 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 present shall be deemed to be duly served or sent if advertised once in one Daily English and one daily vernacular newspaper circulating in the one district in which the Registered Office of the Company is situated.
212. 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, has been duly served on or sent to the person from whom he derives his title to such share.
213. Any notice to be given by the Company shall be signed by the Managing Director or Secretary or by such Director or Officer as the Directors may appoint and such signature may be written or printed or lithographed.
214. All notices to be given on the part of the members to the Company shall be kept at, or sent by post under certificate of posting or by registered post to, the Registered Office of the Company.

“Person entitled to notice of General Meeting”

“Advertisement”

“Court document given to previous holders”

“Notice by company signature thereof”

“Service of Notice by Members”

#### AUTHENTICATION OF DOCUMENTS

215. 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, the Managing Director or secretary or an authorized officer of the Company and need not be under its seal.

“Authentication of documents and proceedings”

#### RECONSTRUCTION

- 216.

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

#### WINDING UP

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

218.(1) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidators may, with the sanction of a special Resolution, but subject to the rights attached to any preference share capital, divide amongst the contributories, in specie or kind, any part of the assets of the company, and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trust for the benefit of the contributories or any of them, as the Liquidators, with the like sanction shall think fit.

“Distribution of assets in specie or kind”

- (2) If thought expedient any such divisions may, subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular, any class may be given preferential or special rights or may be excluded altogether or in part but in case any such division shall be determined, any contributory who would be prejudiced, thereby shall have right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.
- (3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution, by notice in writing, intimate to the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall if practicable, act accordingly.

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

“Rights of the share holder in case of sale”

#### SECRECY CLAUSE

- 220.(1) Every director, manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the company, shall if so required by the Directors, be fore entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transaction and affairs of the Company with the customers and the state of the accounts with individuals and in relation thereto shall by such declaration pledge him self not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do by the Director or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (2) No member shall be entitled to visit or inspect the Company’s works without the permission of the Directors or the Managing Director or to require discovery of or any information respecting any detail of the Company’s trading or any matter, which is or may be in the nature of a trade secret mystery of trade or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Director, or the Managing Director

“Secrecy clause”

it will be inexpedient in the interest of the members of the company to communicate to the public.

## INDEMNITY AND RESPONSIBILITY

- 221.(1) Subject to the provision of section 201 of the Act every Director of the Company or the Managing Director, Manager, Secretary and other officer or employee of the Company and the Trustees, if any, for the time being, acting in relation to any of the affairs of the Company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including traveling expenses) which any such Director, Managing Director, Manager, Secretary or other Officer, or employee and the trustee (if any) for the time being acting in relation to any of the affairs of the company may incur or become liable to be reason of any contract entered into or any act, deed or thing done by him as such Director, Officer, employee or trustees or in any way in the discharge of his duties.
- “Directors and others rights to indemnity”
- (2) Subject as aforesaid every Director, Managing Director, Manager, Secretary or other Officer or employee of the Company or the Trustees (if any) for the time being, acting in relation to any of the affairs of the Company and every one of them, shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favor or in which he is acquitted or in connection with any application under section 633 of the act in which relief is given by the Court.
222. Subject to the provisions of Section 201 of the Act no Director, the Managing Director or other Officer of the Company shall be liable for the acts, omission, neglects act for conformity, or for any loss or expenses suffered by the Company through insufficiency or deficiency of the 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 money of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any money, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty, will, neglect or default.
- “Directors and other not responsible for acts of others”

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

S. No	Names, Addresses, Description & Occupation of Subscribers	No. o Shares Taken	Signature of Subscriber	Name, Address, Description, Occupation of Witness
1.	Virendra Kumar Khandelwal S/o Ramprakash Khandelwal 16/F-3, D- Ganj, New Delhi Service	10 (Ten)	Sd/-	Sd/ PRAVEEN S/O DURGASHANKAR OJHA 111, NEEEL KANTH COLONY, INDORE ARTICLE TRAINEE
2.	Pramod Koolwal S/o Kailashchandra Koolwal 41, Kanchanbagh, Indore Industrialist	10 (Ten)	Sd/-	
3.	Suresh Chandra S/o Mahadeo Prasad 29, Old Palasia, Indore Industrialist	10 (Ten)	Sd/-	
	TOTAL	30 (Thirty)		

23 Dec, 1982

Authorised Representative  
Sd/-  
(PRAVEEN OJHA)

# HIGH COURT, BOMBAY

\*1\*

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## IN THE HIGH COURT OF JUDICATURE AT BOMBAY

### *ORDINARY ORIGINAL CIVIL JURISDICTION*

#### COMPANY SCHEME PETITION NO.377 OF 2011

AND

#### COMPANY SCHEME PETITION NO.378 OF 2011

Gloryshine Property Developers  
Pvt.Ltd.

..Petitioner/Transferor Company

And  
Sarthak Industries Ltd..

..Petitioner/Transferee Company

And

British Motor Car Co.(1934) Ltd..

..Intervener

Mr.Hemant Sethi for the Petitioner.

Mr.Rohan Cama a/w Mr.Ranjit i/b Malvi Ranchoddas & Company, for the Intervener.

Dr.T.Pandian, Official Liquidator, present.

Mr.N.D.Sharma i/b H.P.Chaturvedi, in both petitions for the Registrar of Companies.

.....  
**CORAM : S.C.DHARMADHIKARI, J.**

**Date : 20th October, 2011.**

#### **P.C.:**

1 The matter is moved for speaking to the minutes of the order dated 16<sup>th</sup> September, 2011 for the following corrections:-

(a) In the cause title, "Company Scheme Petition No.378 of 2011" be also mentioned along with "Gloryshine Property Developers Pvt.Ltd. as Petitioner/Transferor Company".

## HIGH COURT, BOMBAY

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(b) In appearance of the parties, the name of “Mr.N.D.Sharma i/b H.P.Chaturvedi, in both petitions for the Registrar of Companies.” be also mentioned.

(c) After paragraph 13, the following paragraph 14 be added:-

“14. Petitioners to pay costs of Rs.10,000/each to the Regional Director. Petitioner in Company Scheme Petition No.377/2011 to pay costs of Rs.10,000/to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks.”

2 The original order be corrected accordingly. No other corrections are made. Rest of the order remains same. Application is disposed of.

**(S.C. Dharmadhikari, J)**

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO.377 OF 2011

In the matter of the Companies Act,  
1956 (1 of 1956);

And

In the matter of section 391 to 394  
and other applicable provisions of  
the Companies Act, 1956;

And

In the matter of the scheme  
of amalgamation of Gloryshine  
Property Developers Pvt Ltd (the  
Transferor Company) with Sarthak  
Industries Ltd (the Transferee  
Company) their respective  
shareholders

Sarthak Industries Ltd

.. Petitioner

And

British Motor Car Co(1934) Ltd

.. Intervener

Mr.Hemant Sethi for the petitioner.

Mr.Rohan Cama a/w Mr.Ranjit i/by Malvi Ranchoddas & Co for the  
interveners.

Dr.T.Pandian, O.L present.

CORAM : S.C.DHARMADHIKARI, J.  
16th September 2011.



## HIGH COURT, BOMBAY

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P.C.:

This is a company petition seeking approval to a scheme of Amalgamation under sections 391 and 394 of the Companies Act, 1956.

2 The transferor and transferee companies have both filed petitions. There is compliance made with the statutory requirements. All necessary and requisite particulars have been disclosed. There are declarations and statements made on oath. The relevant annexures pointing out the salient features of the scheme and the financial position of both companies are on record. The scheme and its salient features have been emphasised and it is stated that by virtue of the arrangement that is arrived at, there will be no prejudice to either the shareholders or creditors of the company nor is the scheme propounded contrary to public policy.

3 The Official Liquidator as also the Regional Director have no objection to the scheme being sanctioned and approved by this Court.

4 However, one intervener British Motor Car Company (1934) Ltd., has intervened and has opposed the scheme on the ground

## HIGH COURT, BOMBAY

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that there is a claim which has been lodged presently with a sole Arbitrator and it has been stated that the transferee company M/s.Sarthak Industries Ltd owes to the Intervener a sum of Rs. 100.07 lakhs consisting of unpaid bills of Rs.11,41,930/- worked out till 31<sup>st</sup> July 2007. This is on the basis of the bills raised and remaining unpaid from 1<sup>st</sup> April 2001 to 1st December 2004. The basis of the claim is an Agreement dated 15<sup>th</sup> October 1997 for supply of electricity. He submitted that the rate under that agreement is admitted and as and when the amounts were demanded, they were liable to be paid by the transferee company. The transferee company terminated the agreement prematurely and stopped taking supply with effect from 1<sup>st</sup> February 2004. At the time of discontinuance of the supply, the aforementioned sum was due and payable and that is how the claim has been made against the transferee company.

5 Mr.Cama, learned counsel appearing on behalf of the intervener submitted that the transferor company is in the business of real estate. It is a loss making unit. Once a loss making unit or company is taken over by the transferee company, then, the transferee company must show that the meetings of the creditor have been dispensed with because the net worth of that companies much more to satisfy all the debts and liabilities.

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In the instant case, the liabilities of the transferor company far exceed the assets and considering the fluctuating real estate market, it is not possible that such claim of the intervener will be honoured. Even if it is assumed that the same is pending before the Arbitral Tribunal, yet, in the light of the weak financial position, atleast the sum mentioned as outstanding and due and payable in the balance-sheet that is to the tune of Rs.7 lakhs with interest accrued be secured and only then appropriate orders be passed granting sanction and approval to the scheme.

6           Mr.Sethi appearing on behalf of the transferee company, on the other hand submits that the entire basis of the claim of the intervener is fallacious inasmuch as the claim is yet to be crystalised. It is pending adjudication before the Arbitral Tribunal. The claim far from being admitted is highly disputed in as much as there is counter claim which has been filed. The details of the counter claim are set out in the affidavit in reply which is filed by the transferee company and for all these reasons it is submitted that the intervener's objections should be over ruled and the scheme be sanctioned.

7           My attention is also invited to the affidavit in rejoinder which has been filed on behalf of the intervener.

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8 With the assistance of the learned counsel appearing for the parties, I have perused these objections and the affidavits on record so also I have heard the detailed submissions. Reliance is placed upon an order passed by me on 10<sup>th</sup> March 2006 in Company Petition No.670 of 2005 connected with Company Application No.411 of 2005 (Tech Pacific (India) Ltd Vs. Samsung India Electronics Pvt Ltd).

9 To my mind, the objector or intervener cannot, on the basis of the claim which has been made against the transferee company, succeed and oppose the scheme when such a claim is pending adjudication. Once it has been pointed out that the sum is a disputed liability and it is being adjudicated, then, to my mind, it will not be possible to withhold sanction and approval to the scheme only on account of such a claim. In the affidavits that have been filed by the parties, they have placed their own version in support of their claims and counter claims. This Court is not a forum which could adjudicate and decide the same. Admittedly, the parties are before the Arbitral Tribunal which has taken cognizance of these versions and they are being adjudicated. Nothing prevents the intervener/objector, on the basis of the contents of the balance sheet in making an application for securing the alleged admitted sum. Once such a course is available under the Arbitration and Conciliation Act, 1996 and even thereafter when the intervener / objector secures and obtains an award crystallising the

## HIGH COURT, BOMBAY

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claims, then, all the more there is no reason to withhold the approval and sanction to the scheme. Nothing has been pointed out in the statutory provisions relied upon, which would indicate that this Court, can on the strength of a disputed claim, withhold the sanction and approval to the scheme.

10 As a result of the aforesaid discussion, the company petitions are made absolute in terms of prayer clause (a).

11 Filing and issuance of drawn up order is dispensed with.

12 All concerned to act on copy of order and the scheme annexed to the petition duly authenticated by the Company Registrar.

13 The petitioner is directed to file a copy of the said order with the Registrar of Companies, electronically, alongwith E-Form 21 in addition to physical copy within 30 days from the date of issuance of the order by the Registry.

(S.C.DHARMADHIKARI, J)

**SCHEME OF AMALGAMATION**  
**OF**  
**GLORYSHINE PROPERTY DEVELOPERS PRIVATE LIMITED**  
**WITH**  
**SARTHAK INDUSTRIES LIMITED**  
**AND THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956**

**PREAMBLE**

**A. DESCRIPTION OF COMPANIES**

1. Sarthak Industries Limited ('SIL'), incorporated on December 23, 1982 under the Companies Act, 1956, is listed on Bombay Stock Exchange. It is engaged in the business of manufacturing, buying, selling, distributing, designing, fabricating, installing, erecting, commissioning, servicing and repairing all kinds of gases, gas cylinders, LPG gas cylinders, cooking gas stoves, etc. and merchant trading. SIL has its registered office in Maharashtra.
  
2. Gloryshine Property Developers Private Limited ('GPDPL'), incorporated as a private limited company under the Companies Act, 1956 on August 25, 2004 is engaged in the business of development of land, farm houses, construction of buildings (residential or commercial), bungalows, hotels and resorts. GPDPL has its registered office in Maharashtra.

**B. RATIONALE OF SCHEME**

1. Currently, SIL is looking at entering the realty business by developing its properties located, mainly in Madhya Pradesh. In this regard, it contemplates to merge GPDPL into itself for achieving business focus in the area of realty development.

2. The Scheme is proposed to benefit the shareholders and other stakeholders of both SIL and GPDPL on account of the following:
  - (a) The Scheme will lead to growth of the realty business proposed to be carried on by SIL;
  - (b) SIL will be able to leverage the capabilities and vast pool of land parcels of GPDPL which combined with its financial strength will enable the Company to establish a successful realty development business;
  - (c) An integrated and synergetic approach will be essential to function more effectively in a competitive environment.
3. Further, there will be no cash outgo to SIL as the Scheme envisages issuance of its shares in lieu of merger of GPDPL.

### **C. PURPOSE OF SCHEME**

1. This Scheme of Amalgamation ("the Scheme") provides for the Amalgamation of GPDPL with SIL, pursuant to Sections 391 to 394 and other relevant provisions of Companies Act,
2. The Scheme also provides for various other matters consequential, supplemental and/ or otherwise integrally connected herewith.

### **PARTS OF THE SCHEME**

The Scheme of Arrangement and Amalgamation is divided in the following parts:

1. **PART A** which deals with definitions and share capital;
2. **PART B** which deals with amalgamation of Gloryshine Property Developers Private Limited with Sarthak Industries Limited;
3. **PART C** which deals with other terms and conditions.

## PART A – DEFINITIONS AND SHARE CAPITAL STRUCTURE

### 1 DEFINITIONS

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the meaning as mentioned herein below:

- 1.1 **'Act' or 'the Act'** means the Companies Act, 1956 including any statutory modification, re-enactment or amendment thereof for the time being in force.
- 1.2 **'Appointed Date'** means opening business hours of 1st day of April, 2010
- 1.3 **'Board of Directors'** in relation to GPDPL and SIL (as defined hereinafter) as the case may be, shall, unless it be repugnant to the context or otherwise, includes a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- 1.4 **'BSE'** means Bombay Stock Exchange Limited.
- 1.5 **'GPDPL' or 'Transferor Company'** means Gloryshine Property Developers Private Limited, a company incorporated under the Act, and having its registered office at 610, Tulsiani Chambers, Nariman Point, Mumbai 400 021, Maharashtra, India.
- 1.6 **'Court' or 'High Court'** means the Honorable High Court of Judicature at Bombay or such other tribunal or competent authority having jurisdiction to sanction the Scheme and shall include National Company Law Tribunal, if applicable.
- 1.7 **'Effective Date'** means the last of the dates on which the certified or authenticated copies of the orders passed by the High Court sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai . Any references in the Scheme to “on the Scheme becoming effective” or “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “upon the Scheme coming into effect” shall mean the “Effective Date”.
- 1.8 **'SIL' or 'Transferee Company'** means Sarthak Industries Limited a company incorporated under the Act, and having its registered office at 302, Devkrupa Building, 28, Raichur Street, Mumbai 400 009, Maharashtra, India.
- 1.9 **'Record Date'** means the date to be fixed by the Board of Directors of SIL for the purpose of determining the shareholders of GPDPL to whom shares will be allotted pursuant to this Scheme in terms of Clause 13.1 hereof.
- 1.10 **'Scheme of Amalgamation' or 'Scheme' or 'the Scheme' or 'this Scheme'** means this Scheme of Amalgamation in its present form as submitted to the High Court with modification(s) if any made under Clause 17 of this Scheme.



1.11 **'Undertaking'** means the entire business and undertaking of the Transferor Company as a going concern and shall include (without limitation):

- (a) All the assets, investments and properties of the Transferor Company as on the Appointed Date;
- (b) All the secured and unsecured debts, liabilities, duties, obligations and contingent liabilities of the Transferor Company as on the Appointed Date;
- (c) Without prejudice to the generality of sub clause (a) above, the undertaking shall include all the Transferor Company's assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, IT infrastructure, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, certificates, permissions, consents, approvals, concessions (including but not limited to service tax, excise duty, central sales tax, applicable state value added tax and other incentives of any nature whatsoever), remissions, remedies, subsidies, guarantees, bonds, , leases, leave and license agreements, conducting agreements, sub-letting, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts and arrangements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefits and advantages, deposits, preliminary expenses, benefit of deferred revenue expenditure, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, , tax credits (including but not limited to credits in respect of income tax, minimum alternate tax, central sales tax, applicable state value added tax, MODVAT/ CENVAT/ service tax, etc.), and other claims and powers, all books of accounts, documents and records of whatsoever nature and wheresoever situated belonging to or in the ownership, power, possession or control of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.
- (d) All records, files, papers, computer programs, processes, softwares – licensed and owned, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical or electronic form, in connection with or relating to the above undertaking.

1.12 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act,

1961 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

## **2 DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) and amendments made under Clause 17 approved or imposed or directed by the High Court, unless otherwise specified in the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date and shall be in accordance with Section 2(IB) of the Income-tax Act, 1961.

## **3 SHARE CAPITAL**

3.1 The authorised, issued, subscribed and paid up share capital of GPDPL as per audited Balance Sheet dated March 31, 2010 is as under:

<b>Particulars</b>	<b>Amount (Rs)</b>
<b>Authorised capital</b>	
10,000 Equity shares of Rs.10 each	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>
<b>Issued, subscribed and paid up capital</b>	
10,000 Equity shares of Rs.10 each fully paid up	1,00,000
<b>Total</b>	<b>1,00,000</b>

Subsequent to the aforesaid Balance Sheet date, there is no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company.

The authorised, issued, subscribed and paid up share capital of SIL as per audited Balance Sheet dated March 31, 2010 is as under:

<b>Particulars</b>	<b>Amount (Rs)</b>
<b>Authorised capital</b>	
1,10,00,000 Equity shares of Rs 10 each	11,00,00,000
1,00,000 Preference Shares of Rs. 100 each	1,00,00,000
<b>TOTAL</b>	<b>12,00,00,000</b>
<b>Issued, subscribed and paid up capital</b>	
55,68,850 Equity shares of Rs 10 each fully paid up	5,56,88,500
<b>Total</b>	<b>5,56,88,500</b>

Subsequent to the aforesaid Balance Sheet date, there is no change in the authorised, issued, subscribed and paid up share capital of the Transferee Company.

## **PART B - AMALGAMATION OF GPDPL WITH SIL**

### **4 COMPLIANCE WITH TAX LAWS**

- 4.1 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- 4.2 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexure under the Income Tax Act, 1961 (including for minimum alternate tax, wealth tax purposes and other tax benefits), central sales tax, applicable state value added tax, excise

laws, service tax laws and other tax laws, and to claim refunds and/or credit for taxes paid and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

- 4.3 All tax assessment proceedings/ appeals, if any, of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

- 4.4 Any tax liabilities under the Income Tax Act, 1961, service tax laws, central excise laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.

- 4.5 Any refund, under the Income Tax Act, 1961, service tax laws, central excise laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

- 4.6 The tax payments (including, without limitation income tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, the same shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by Transferor Company/Transferee Company on transactions with the Transferee Company/Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

4.7 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.

4.8 Without prejudice to the generality of the above, all benefits, , losses, credits (including, without limitation income tax, service tax, excise duty, applicable state value added tax etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company.

## **5 TRANSFER AND VESTING OF UNDERTAKING**

5.1 Subject to the provisions of this Scheme as specified herein and with effect from the Appointed Date, the entire undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

(a) The undertaking of the Transferor Company comprising of its business, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b) and (c) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting, \ order passed under Section 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such property (including immovables) or assets of the Transferor Company in accordance with the provisions of Section 391 to 394 of the Act..

(b) All the movable assets including cash in hand, if any, of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company.

- (c) In respect of movables other than those specified in sub clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 391 to 394 of the Act.
- (d) In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the Transferor Company and the Transferee Company will execute the necessary documents, as and when required.
- (e) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the financial statements of the Transferor Company shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the creditors/lenders of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

- (f) The transfer and vesting of the undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, liens, charges and mortgages, if any, subsisting, over or in respect of the properties and assets or any part thereof of the Transferor Company.

Provided however that any reference in any security documents or arrangements (to which the Transferor Company is a party) pertaining to the properties and assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligation, shall be construed as reference only to the assets pertaining to the undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, liens, charge and mortgage shall not extend or be deemed to extend, to any of the other properties and assets of the Transferor Company or any of the properties and assets of the Transferee Company.

Provided further that the securities, liens, charges and mortgages (if any subsisting) over and in respect of the properties and assets or any part thereof of the Transferee Company shall continue with respect to such properties and assets or part thereof and this Scheme shall not operate to enlarge such securities, liens, charges or mortgages to the end and intent that such securities, liens, charges and mortgages shall not extend or be deemed to extend, to any of the properties and assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge such securities, liens, charges or mortgages for any financial assistance or obligation created by the Transferor Company which shall vest in the Transferee Company by virtue of amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become operative.

- (g) In so far as the various benefits or privileges enjoyed (including minimum alternate tax, service tax, excise duty, central sales tax, applicable state value added tax and other incentives), granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- (h) Loans or other obligations, if any, due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf with effect from the Appointed Date.

5.2 The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

## **6 LEGAL PROCEEDINGS**

- 6.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the legal proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

- 6.2 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.
- 6.3 After the Appointed Date, if any proceedings are taken against the Transferor Company above, the same shall be defended by and at the cost of the Transferee Company.

## **7 CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 7.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, lease agreements, leave and license agreements, licenses, engagements, certificates, permissions, consents, allotments, approvals and concessions, (including but not limited to benefits under the Income Tax Act, 1961, service tax laws, central excise laws, central sales tax, applicable state value added tax laws and other incentives), remissions, remedies, subsidies, guarantees and other instruments, if any, of whatsoever nature to which the Transferor Company is a party and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so



required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

## **8 SAVING OF CONCLUDED TRANSACTIONS**

8.1 The transfer of undertaking under Clause 5 above and the continuance of proceedings by or against the Transferee Company under Clause 4.3 and Clause 6 above and the effectiveness of contracts and deeds under Clause 7 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

## **9 STAFF, WORKMEN AND EMPLOYEES**

9.1 On the Scheme coming into effect, all staff, workmen and employees of the Transferor Company in service on such date shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company on the Effective Date.

## **10 CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

10.1 With effect from the Appointed Date and upto the Effective Date:

(a) The Transferor Company shall carry on its business with reasonable diligence and in the same manner as it had been doing hitherto fore, and the Transferor Company shall not alter or substantially expand its business except with the written concurrence of the Transferee Company.

- (b) The Transferor Company shall not, without the written concurrence of the Transferee Company, alienate, charge or encumber its undertaking/ part of its undertaking, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Company.
- 10.2 On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.
- 10.3 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Company.
- 10.4 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company.

## **11 BUSINESS AND PROPERTY IN TRUST FOR TRANSFEEE COMPANY**

- 11.1 With effect from the Appointed Date upto and including the Effective Date:
- (a) The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of its undertaking, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- (b) Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld/paid in a foreign country, etc), incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

## **12 DIVIDENDS**

- 12.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders in respect of the accounting period commencing from and after Appointed Date and upto the Effective Date. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company.
- 12.2 It is clarified that the provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholders of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

## **13 CONSIDERATION**

- 13.1 Upon this Scheme becoming effective and upon transfer and vesting of the business, assets, properties, undertaking, debts and liabilities of Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, discharge the consideration by issue and allotment of equity shares at a premium, credited as fully paid up, corresponding to the fair value of net assets of the Transferor Company vested in the Transferee Company, to the extent indicated below, to the equity shareholders of the Transferor Company holding fully paid up equity shares in Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as the case may be, in the following proportion viz
- (a) "140 (One Hundred Forty) equity shares of Rs.10 each fully paid up (hereinafter referred as "New Equity Shares") of the Transferee Company at a premium, as stated above, shall be issued and allotted for every 1 (One) equity share of Rs.10 each fully paid up held in the Transferor Company.
- 13.2 Upon allotment of New Equity Shares pursuant to Clause 13.1 above, the shares or the share certificates of the Transferor Company in relation to the shares held by its shareholders shall,

without any further application, act, instrument or deed be deemed to have automatically cancelled and be of no effect on and from the Record Date. The New Equity shares to be issued by the Transferee Company shall be issued in demat form unless communicated otherwise in writing by the shareholder on or before such date as may be determined by the Board of Directors of the Transferee Company.

13.3 The New Equity Shares in the Transferee Company to be issued to shareholders of Transferor Company pursuant to Clause 13.1 above shall rank pari passu in all respects, including dividend with the existing equity shares of the Transferee Company.

13.4 The issue and allotment of New Equity Shares in the Transferee Company to the shareholders of the Transferor Company as provided in the Scheme as an integral part thereof, shall be deemed to have been carried out as if the procedure laid down under Section 81(1A) and any other applicable provisions of the Act were duly complied with.

13.5 The New Equity Shares to be issued and allotted in terms hereof will be subject to the relevant Memorandum and Articles of Association of the Transferee Company.

13.6 The New Equity Shares of Transferor Company issued in terms of Clause 13.1 above shall, subject to applicable regulations, be listed and/or admitted to trading on all the stock exchanges where the existing equity shares of Transferee Company are listed and/or admitted to trading.

#### **14 DISSOLUTION OF THE TRANSFEROR COMPANY**

14.1 On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without winding up.

#### **15 ACCOUNTING TREATMENT**

15.1 The Transferee Company shall upon the Scheme coming into effect, record all assets and liabilities, of the Transferor Company transferred and vested in it pursuant to this Scheme, at the respective fair values as on the Appointed Date.

- 15.2 The difference in the recorded value of assets in the books of accounts of the Transferee Company over the recorded value of liabilities in the books of accounts of the Transferee Company pursuant to clause 15.1 and the consideration specified in Clause 13.1 shall be debited to Goodwill account in the books of the Transferee Company in case there is a deficit. However, in case there is a surplus, the same will be credited to Capital Reserve Account in the books of accounts of Transferee Company.
- 15.3 To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 15.4 In case of any differences in accounting policy between Transferor Company and Transferee Company, the accountings policies followed by Transferee Company shall prevail and the difference till the appointed date will be quantified and adjusted in the Profit and Loss account, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

## **16 CONTROL AND MANAGEMENT**

Upon the Scheme becoming effective, the promoters of the Transferor Company, would also become the promoters of Transferee Company (hereinafter called the 'New Promoters') and the control and management would also be vested in the New Promoters. Some of the erstwhile promoters of the Transferee Company would cease as promoters. Accordingly, upon the Scheme becoming effective, the New Promoters would be entitled to appoint their nominees on the Board of Directors of the Transferee Company subject to applicable laws, rules and regulations, and the Board of Directors of the Transferee Company would be reconstituted accordingly.

## **PART C - OTHER TERMS AND CONDITIONS**

### **17 APPLICATION TO THE HIGH COURT OR SUCH OTHER APPROPRIATE AUTHORITY**

- 17.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications / petitions to the High Court or such other appropriate authority under Sections 391

to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the shareholders and/or creditors of each of the Transferor Company and the Transferee Company as may be directed by the High Court or such other appropriate authority.

- 17.2 On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/or creditors of the Transferor Company and the Transferee Company or such requirement being dispensed with as directed by the High Court or such other appropriate authority, the Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the High Court or such other appropriate authority for sanctioning the Scheme of Arrangement and Amalgamation under Sections 391 to 394 read of the Act, and for such other order or orders, as the said High Court or such other appropriate authority may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Company without winding-up.

## **18 MODIFICATIONS/AMENDMENTS TO THE SCHEME**

- 18.1 The Transferor Company and the Transferee Company through their Board of Directors may assent to any modification(s) or amendment(s) in this Scheme which the High Court may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. Further, the Transferor Company and the Transferee Company through their Board of Directors and after the dissolution of the Transferor Company, the Transferee Company through its Board of Directors be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the High Court or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

## **19 REVOCATION AND SEVERABILITY**

- 19.1 In the event of the Scheme not being sanctioned by the High Court or any of the said sanctions and approvals referred to in the preceding Clauses not being obtained as aforesaid before July 31, 2011 or within such further period or periods as may be agreed upon between the Transferor Company and Transferee Company by their Board of Directors (and which the Boards of Directors of the

Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

- 19.2 In the event of revocation under Clause 18.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to Transferee Company and Transferor Company, their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, Transferee Company shall bear all costs.

## **20 COSTS, CHARGES AND EXPENSES**

- 20.1 All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of Transferor Company and Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.