

(THE COMPANIES ACT, 1956)  
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(COMPANY LIMITED BY SHARES)  
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**ARTICLES OF ASSOCIATION**  
**OF**  
FRUITION VENTURE LIMITED

*nitiefan*

**TABLE 'A' EXCLUDED**

1. The Regulations contained in the Table 'A' in the First Schedule of the Companies Act, 1956 shall not apply to this Company but the regulations for the management of the company and for observance of the members and their representatives shall, subject to any exercise of the statutory powers of company in reference to the repeal or alterations of or additions to its regulations by special resolution as prescribed by the said Companies Act, 1956 be such as are contained in these Articles.

**Table 'A'  
not to apply to the  
company to be gover-  
ned by these Articles**

**INTERPRETATION**

2. In these Articles unless there be something in the subject or context inconsistent therewith the following words or expressions shall have the following meanings :-

**"Interpretation clause"**

"The Company" means FRUITION VENTURE LIMITED

*nitiefan* "The company"

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

**The " Act"**

"Board" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a resolution passed by circulation in accordance with these Articles.

**"Board"**

"The Managing Director" means the Managing Director or Managing Directors of the Company for the time being.

**"Managing Director"**

"Month"	"Month" means calendar month.
"Dividend"	"Dividend" includes Bonus.
"These Presents"	"These presents" means the Memorandum of Association and these Articles of Association as originally framed or the regulations of the Company for the time being in force.
"Seal"	"Seal" means the Common Seal for the time being of the Company.
"Ordinary and Special Resolution"	"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto respectively by Section 189 of the Act.
"Paid up"	"Paid up" includes credited as paid-up.
"Writing"	"In writing" and "written" shall include printing, lithography or part printing and part lithography and any other mode or modes of representing or reproducing words in visible form.
"Singular Number"	The words importing "singular number" shall include the plural number and vice versa.
"Gender"	The words importing "masculine gender" shall include the feminine gender and vice versa.
"Person"	The words importing "person" shall include Corporation.
"The Office"	"The Office" means the Registered Office of the Company for the time being.
"Debenture"	The word "debenture" include debenture-stock.
Expressions in these regulations to bear same meanings as in the Act	Subject as aforesaid and except where the subject or context, otherwise requires words or expressions contained in these regulations shall bear the same meaning as in the Companies Act as in force at the date on which these regulations become binding on the Company.
"Marginal Note"	The marginal notes hereto shall not affect the construction hereof.

#### CAPITAL

3. The Authorised Capital of the Company is Rs.4,00,00,000/- (Rs. Four Crores only) divided into 40,00,000 (Forty Lacs) Equity Shares of Rs.10/- (Rs. Ten) each. The Company shall have power to increase, consolidate, sub-divide, reduce or otherwise alter its share capital, subject to the provisions of the Act.

4. The shares in the capital shall be numbered progressively according to their several denominations. Every forfeited or surrendered share shall, continue to bear the number by which the same was originally distinguished.

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

5. The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

**Restriction on allotment**

6. (1) Subject to the provisions of the Act, where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation (which ever is earlier) the Board decides to increase the capital of the Company by the issue of new shares, then subject to any directions to the contrary which may be given by the Company in General Meeting and subject only to those directions, 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 upon those shares at that date and such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given, if he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

**Further issue to capital**

- (2) Notwithstanding anything contained in clause (1) hereof the further shares therein referred to may be offered to any persons whether or not those persons include the persons referred to in clause (1) in any manner whatever either:

- (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 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 as to do, vote in person or, where proxies are allowed, by proxies 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 in this behalf that the proposal is most beneficial to the Company.

- (3) Nothing in clauses (1) and (2) of this Article shall apply to the increase of the subscribed capital caused by exercise of option attached to debentures issued or loans raised by the Company or to subscribe for shares in the company in the cases permitted by sub-clause (b) of sub-section (3) of Section 81 of the Act.

**Shares under control of Directors**

7. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of Directors, who may allot or otherwise dispose of the same at such terms and conditions and at such times as the Directors think fit and (subject to the provisions of Sections 78 and 79 of the Act) either at a premium or at par or discount.

provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

**Acceptance of shares**

8. Any application signed by or on behalf of any applicant for shares in the Company, followed by an allotment of any share herein 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 on the Register shall for the purpose of these Articles be a member.

**Deposit and calls etc. to be a debt payable immediately**

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

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

**Liability of members**

10. Except as required by law or order by a court of competent jurisdiction no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any benami, equitable contingent future or partial interest in any share or any interest in any fractional part of a share (except only by these presents or by law otherwise provided) or any other rights in respect of any share, other than an absolute right thereto, in accordance with these presents, in the person registered holder.

**Trust not recognised**

11. None of the funds of the Company shall be applied in the purchase of any shares of the Company and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by section 77 of the Act.

**Funds not to applied in the purchase of its own shares**

12.(a) The certificates of titles to shares and duplicate thereof when necessary shall be issued under the seal of the Company.

**Certificates**

13. Every member shall be entitled to one or more certificates in the marketable lot for all the shares registered in his name, or if the Directors so approve to several certificates each for one or more of such shares, but in respect of each additional certificate, there shall be paid to the Company a fee of Rs 2/- (Rupees Two) or such less sum as the Directors may determine. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon. The Directors may in any case or generally waive the charging of such fees.

**Member's right to certificate**

14. If any certificate be worn out or defaced, then, upon production thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof and if any certificate be lost or destroyed, then, upon proof thereof

**As to issue of new certificate in place of one defaced, lost or destroyed**

to the satisfaction of the directors and on such indemnity as the directors deem adequate being given a new certificate in lieu thereof shall be given to the registered holder of the shares to which such lost or destroyed certificate shall relate, "Provided that no fee shall be charged for sub-division or consolidation of shares into lots of the market unit of trading or for issue of share certificates in replacement of those that are old, decrepit or worn out or where the cages on the reverse for recording transfer have been fully utilised"

**Commission for placing shares and brokerage**

15. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditional) for any shares or debentures in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any share or debentures in the Company, but the commission shall not exceed in the case of shares 5 (five) per cent of the price at which the shares are issued, and in the case of debentures 2½ (two and a half) per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly paid shares or debentures or partly in one way and partly in the other. The Company may also pay on any issue of shares or debentures such brokerage as may be lawful and reasonable.

#### **CALLS**

**Issue**

16. The Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotments, thereof made payable at fixed times and each member shall pay the amount of every call so made by him to the person and at the time and place appointed by the Directors. A call may be made payable by instalments.

**When call deemed to have been made and notice to call**

17. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed, not less than fourteen days notice of any call shall be given specifying the time and place of payment and to whom such call be paid.

18. The Board may, from time to time and at its discretion, extend the time fixed for the payment of any call and may extend such time as to call of any of the members who owing to residence at a distance or other cause, the Board may deem fairly entitled to such extension; but no member shall be entitled to such extension save as a matter of grace and favour.
19. If any member fails to pay any call, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover from any such member and the Board shall be at liberty to waive payment of such interest either wholly or in part.
20. If by the terms of issue of any shares or otherwise any amount is made payable on allotment or at any fixed date or instalments at fixed times, whether on account of the amount of share or by way of premium every such amount or instalment shall be payable as if it were a call duly made by the Directors and on which due notice had been given and all provisions and on which due notice had been given and all provisions herein contained in respect of call shall relate to such amount or instalment accordingly.
21. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was when the claim arose on the Register of shareholder of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matter whatsoever but the proof of matters aforesaid shall be conclusive evidence of the debt.

**Extension of time for  
payment of calls**

**Payment of interest on  
delay in calls**

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

**Evidence in actions by  
Company against  
shareholders**

**Payments of calls in advance**

22. The Board of Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys 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, exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the members paying such sum in advance and the Directors agree upon Moneys so paid in excess of the amount of calls shall not rank for dividends to participate in profits. The directors may at any time repay the amount so advance upon giving to such member three months' notice in writing.

**JOINT HOLDERS****Joint holders**

23. Where two or more persons are registered as holders of any shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles :

**To which of joint holder certificate to be issued**

- (a) Shares may be registered in the name of any person, company or other body corporate but not more than three persons shall be registered jointly as members in respect of any shares.
- (b) The certificate of shares registered in the names of two or more persons shall be delivered to the person first named on the Register.

**Several Liabilities of joint holders**

- (c) The joint holders of a share shall be jointly and severally liable to pay any calls in respect thereof.

**The first named of joint holder deemed soleholder**

- (d) If any shares stands in the names of two or more persons the persons first named in the register shall as regards receipt of share certificates, dividends or bonus or service of notices and all or any other matter connected with the company, except voting at meetings, and the transfer of the shares, be deemed as sole holder thereof but the joint holders of share shall be severally as well as jointly liable for the payment of all instalment and calls due in respect of such share and for all incidents thereof according to the Company's regulations.



- (e) In the case of the death of any one or more of the persons named in the register of members as the joint holders of any share, the survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased jointholder from any liability on shares held by him jointly with any other person.
- (f) If there be joint registered holders of any shares any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto, provided that if more than one of such joint holders be present at any meeting either personally or by proxy, then one of the said persons so present whose name stands on the register of members shall alone be entitled to vote in respect of such shares, but the other or others joint holders shall be entitled to be present, at the meeting. Several executors or administrators of a deceased member in whose names shares stand shall for the purpose of these articles be deemed joint holders thereof.
- (g) A document or notice may be served or given by the Company on or to joint holders of a share by serving or giving the document or notice on the joint holder named first in the register of members in respect of the share.

**Death of one or more joint holders of share**

**Vote of joint members**

**On Joint holders**

#### **FORFEITURE AND LIEN**

24. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the directors may at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
25. The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at

**If calls or instalment not paid, notice must be given**

**Form of notice**

the place appointed the shares in respect of which such call was made or instalment is payable to be forfeited.

**If notice not complied with shares may be forfeited**

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

**Notice after forfeiture**

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

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

28. Any share so forfeited shall be deemed to be property of the company and the directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit.

**Powers to annual forfeiture**

29. The Board of Directors may, at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of annual the forfeiture thereof on such conditions as they think fit.

**Arrears to be paid notwithstanding forfeiture**

30. Any member whose shares have been forfeited shall notwithstanding be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses, owing upon or in respect of such shares at the time of the forfeiture together with interest thereon, from the time of forfeiture until payment, at 12 (Twelve) percent per annum, and Directors may enforce the payment thereof, without any deduction or allowance for the value of the shares at the time of forfeiture but shall not be under any obligation to do so.

**Effect of forfeiture**

31. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the company in respect of share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

32. A duly verified declaration in writing that the declarant is a director or secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money nor shall his title to such shares be affected by any irregularity or invalidity in the proceeding in reference to such forfeiture, sale or disposal.
- Evidence of forfeiture**
33. The Company shall have first and paramount lien upon all the shares (not being fully paid up) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such shares solely or jointly with any other person to the company whether the period for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article thereof is to have full effect and lien shall extend to all dividends from, time to time declared in respect of such shares subject to section 205 of Companies Act. Unless otherwise agreed, the registrations of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
- Company's lien on shares**
34. For the purpose of enforcing such lien, the directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such member, his executors or administrators or his committee curators bonis or other legal curator and default shall have been made by him or them in the payment of moneys called in respect of such shares for seven days after such notice.
- As to enforcing lien by sale**
35. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and residue, if any, shall (subject to a like lien for sums
- Application of proceed of sale**

not presently payable, as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

**Validity of sales upon forfeiture**

36. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the directors 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 in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money and after his name has been entered in the register in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be damages only and against the Company exclusively.

**Cancellation of old certificates and issue of new**

37. 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 share shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto distinguishing it or them in such manner as they may think fit from the old certificate or certificates.

**INCREASE, REDUCTION AND ALTERATION IN AUTHORISED ISSUED AND SUBSCRIBED CAPITAL**

**Increase of authorised share capital**

38. The Company may, from time to time, in general meeting by special resolution alter the conditions of its Memorandum of Association by increase the authorised share capital by creation of new shares of such amount as it thinks expedient.

**Increased capital same as original capital**

39. Except so far as may be otherwise provided by the conditions of issue or by those, any capital raised by the creation of new shares shall be considered part of the original herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

40. The Company may, (subject to the provisions of Sections 100 to 104 of the Act), from time to time, by Special Resolution Reserve Account or Share Premium Account in any way authorised 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 as far as is necessary of its share capital and of its shares accordingly.
- Reduction of capital**
41. The Company may in general meeting subject to the provisions of Companies Act 1956, alter the conditions of Memorandum of Association as follows :
- Consolidation, division and sub-division**
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- (b) Subdivide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum of Association, subject nevertheless to the Provisions of the Act and of these Articles.
- (c) Cancel shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled.
42. The rights conferred upon the holders of the shares or any class issued with preferred or other right shall not, unless otherwise expressly provided by the term of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith, but in no respect in priority thereto.
- Issue of further pari passu share not be affect the right of share already issued**

#### **MODIFICATION OF CLASS RIGHTS**

43. If at any time the capital by reason, of the issue of preference shares or otherwise is divided into different class of shares all or any of the right and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be modified, abrogated or dealt with subject to :
- Power to modify rights**
- (a) The consent of the holders of not less than three fourth of the issued shares of class, or

- (b) The sanction of special resolution passed at a separate meeting of the holders of the issued shares of that class & to every such separate meeting, provision herein contained as to general meeting shall mutatis-mutandis apply.

**Compliance of  
Section 192 of the Act**

44. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of the prescribed agreement or resolution passed under Article 46 to the Registrar of Companies.

**TRANSFER AND TRANSMISSION OF SHARES**

**Transfer**

- 45 (a) The instrument of transfer of any shares in the Company shall be executed both by the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.

**Mode of Transfer**

- (b) The company shall not register a transfer of shares in or debentures of the Company, unless proper instrument of transfer duly stamped and executed by or on behalf of the transferor and transferee and specifying the name, address and occupation, if any of the transferee has been delivered to the company alongwith the certificate relating to the shares or debentures or if no such certificate is in existence alongwith the letter of allotment of shares or debentures provided that where on an application made in writing to the Company by transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that instrument of transfer signed by or on behalf of the transferor and transferee has been lost, the company may register on such terms as to indemnity or otherwise as the Board may think fit.
- (c) An application for the registration of the transfer of any shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the company gives notice of the application to the transferee in accordance with section 110 of the Act.

- (d) For the purpose of sub-clause (c) notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.
- (e) Nothing in sub-clause (d) shall prejudice any power of the Board of Directors to register as a shareholder any person to whom the right to any share has been transmitted by the operation of law.
- (f) Nothing in this Article shall prejudice the power of the Board of Directors to refuse to register the transfer of any share to a transferee, whether a member or not.
46. Subject to the provision of section 154 of the Act, the Board shall have power on giving not less than 7 (Seven) day's previous notice by advertisement in a newspaper circulating in the district in which the registered office of the company is situated to close the transfer books, the register of members or register of debenture holders at such times and for such period or periods, not exceeding in the aggregate forty five days in each year, as it may seem expedient.
47. Subject to the provisions of Section 111 of the Act, the Board of Directors after assigning any reason, may, within one month from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve provided that the registration of the transfer shall not be refused on the ground of the transferor being either alone or jointly with any person or persons indebted to the Company on any account unless the Company has a lien on the shares. In case of refusal to transfer shares the Company shall within one month, from the date on which the instrument of transfer was lodged with the company send to the transferee and the transferor or notice of the refusal to register such transfer.
48. The executors or administrators or holders of a succession certificate or the legal representatives of deceased not being one or two or more joint holders shall be only persons recognised by the Company as having any title to the shares

Transfer books when  
Closed

Directors may refuse  
to the register  
transfer

Title to shares of  
deceased members

registered in the name of such member and the Company shall not be bound to recognise such executors, administrators or holders of succession certificate or the legal representatives unless they shall have first obtained Probate or Letters of Administration or Succession Certificate or other legal representation as the case may be, from a duly constituted court in the union of India, provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letter of Administration or Succession Certificate upon such terms as indemnity or otherwise as the Board, in its absolute discretion may think necessary and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

**Registration of persons entitled to shares otherwise than by transfer**

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

**Claimant to be entitled to same advantage**

50. The person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he was registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise an right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if notice is not complied with within sixty days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of the share until the requirements of the notice have been complied with, subject to section 205A of the Act.



51. Every instrument of transfer which is registered shall remain in the custody of the Company until destroyed by order of the Board. **Registered Instrument to remain with the company**
52. No fee shall be payable to the Company in respect of the transfer or transmission of any shares in the Company. **No fees for transfer or transmission**
53. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest to prohibiting registration. **The Company not liable for prohibiting registration of transfer**
54. If a dispute in relation to transfer/transmission is pending the right for bonus issue, rights issue or dividend payments shall be kept in abeyance till the determination of title to shares in accordance with provision of Sec. 205A of the companies Act, 1956.
55. Subject to the provisions of Section 58A, 292 and 293 of the Act and regulations made through and directions issued by the Reserve Bank of India and of these Articles, the Board may, from time to time and at its discretion, by a resolution passed at a meeting of the Board, accept deposits from public, or from the members, or either in advance calls or otherwise and raise or borrow or secure the payment of any sum or sums of money for the Company, from any sources whatsoever. **Borrowing Powers**
56. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit and in particular by resolution passed at meeting of the Board (and not by circular resolution) by the issue of debentures or debenture-stock of the company charged upon all or any part of the property of the Company (both present and future) **The payment or repayment of moneys borrowed**

including its uncalled capital for the time being and debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

**Terms of issue of debentures**

57. Any debentures, debenture-stock or other securities may be issued at discount, premium or otherwise and subject to the provisions of the Act, may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of shares and attending (but no voting) General Meetings, appointment of directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

**Assignment of uncalled capital**

58. If any uncalled capital of the company included in or charged by any mortgages of securities, the directors may subject to the provisions of the Act and these presents make calls on members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

**To comply with provisions of the Act as regards registration of mortgage etc.**

59. The Company shall comply with all the provisions of the Act, in respect of the mortgage or charges created by the Company and the registration thereof and the transfer of the debentures of the Company and the register required to be kept in respect of such mortgages, charges and debentures.

**Indemnity may be Given**

60. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the directors may execute or cause to be executed any mortgage, charges or securities over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

**RESERVE AND DEPRECIATIONS FUND**

**Reserve fund**

61. The Board may, subject to the Companies (Transfer of Profits to Reserves) Rules, 1975, from time to time, before recommending any dividend set apart any and such portion of the profits of the company as they think fit as a Reserve Fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the company for equalization of dividends or for repairing, improving and maintaining any of the property of the Company and for such other purposes of the company as the directors in their absolute discretion think conducive to the interest of the Company and may invest the several sums so set aside upon

such investments (other than shares of the company) as they think fit and from time to time, deal with every such investment and dispose of all or any part thereof for the benefit of the company and may divide the Reserve Fund into such special funds as they think fit, with full power to transfer the whole or any portion of a Reserve Fund into such special funds as they think fit, with full power to transfer the whole or any portion of a Reserve Funds and also with full power to employ the Reserve Funds or any part thereof in the businss of the Company and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same.

62. The Directors may, from time to time, before recommending any dividend, set apart any and such portion of the profits of the Company, as they think fit, as a depreciation fund applicable at the discretion of the Directors, for providing against any depreciation in the investments of the company or for rebuilding, restoring, replcing or for altering any part of the buildings, work, plant, machinery or other property of the Company, destroyed or damaged by fire, flood, storm, tempest, earthquake, accident, riot, wear and tear or any other means whatsoever and for repairing, altering and keeping in good condition the property of the company or for extending and enlarging the building, machinery and property of the Company with full power to employ the assets constituing such depreciation fund in the business of the Company and that without being bound to keep the same separate from the other assets.

**Depreciation fund**

63. All moneys carried to any reserve fund and depreciation fund respectively shall nevertheless remain and be profits of the Company applicable subject to, due provisions being made for actual loss or depreciation, for the payment of dividend and such moneys and the other moneys of the Company may be invested by the Directors in or upon such investments or securities as they may select or may be used as working capital or my be kept at any bank on deposit or otherwise as the Directors may, from time to time, think proper.

**Investment of money**

**GENERAL MEETINGS**

- When general meetings to be held**
64. (1) In addition to any other meetings, General Meetings, of the Company shall be held at such intervals as are specified in Section 166 (1) of the Act and subject to the provisions of Section 166 (2) of the Act, at such times and places as may be determined by the Board.
- (2) Each such General Meeting shall be called Annual General Meeting. Every Annual General Meeting shall be called for a time during business hours on a day that is not a public holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated.
- Distinction between ordinary and extraordinary meetings**
65. All other meetings of the Company other than those referred to in the preceding clause shall be called extraordinary General Meetings.
- When extra ordinary meetings to be called**
66. The Directors may, whenever they think fit and they shall, on the requisition of the holders of not less than 1/10, (one-tenth) of the paid up capital of the company as at that date carries the right of voting in regard to the matter in respect of which the requisition is made, forthwith proceed to convene an extraordinary General Meeting of the company and in the case of such requisition the provision of Section 160 of the Act shall apply.
- Notice of meeting**
67. Twenty-one days, notice atleast of every General Meeting Annual or Extraordinary and by whomsoever called, specifying the day, place and hour of meeting and the general nature of the business to be transacted thereat shall be given in the manner hereinafter provided to such persons as are under these presents or the Act entitled to receive notice from the company provided that in the case of an annual meeting with consent in writing of all the members entitled to vote and in the case of any other meeting with the consent of the members holding not less than 95% (Ninty five per cent) of such part of the paid-up capital of the company as gives a right to vote at the meeting, a meeting may be convened by shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the accounts,

balance sheets and reports of the Board and Auditors, (ii) the declaration of dividend (iii) the appointment of directors in place of those retiring, (iv) the appointment of and fixing of the remuneration of Auditors is to be transacted and in the case of any other meeting in any event, there shall be annexed to the notice of the meeting an explanatory statement setting out all the material facts concerning each such item of business, including of particular the nature and extent of the interest, if any, therein of every director and manager (if any). Where any such item of business relates to or affects any other company of every director and Manager if any, of the Company shall also be set out in the statement if the extent of such shareholding and interest is not less than twenty per cent of the paid-up share capital of that other company. Where any item of business consists of the accord of approval to any document can be inspected shall be specified in the statement aforesaid.

68. The accidental omission to give any such notice to or the non-receipt of notice by any of the members or persons entitled to receive the same shall not invalidate the proceedings at any such meeting.
69. Five members present in person shall be a quorum for a General Meeting. A corporation being a member shall be deemed to be personally present if it is represented, in accordance with Section 187 of the Act. The President of India or Governor of a State shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.
70. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next succeeding week which is not a public holiday at the same time and place or to such other day and such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour, from the time, appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

As to omission to give notice

Quorum at General Meeting

If quorum not present meeting to stand dissolved or adjourned

**Chairman of General Meeting**

71. The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether annual or extraordinary, if there be no such Chairman of the Directors or if any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or shall decline to take the chair then any other Director present thereat shall be entitled to take the chair and the members present shall elect another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair, then the members present shall elect one of their members to be Chairman.

**Election of Chairman**

72. The election of the Chairman, if necessary, shall be carried out in accordance with Section 175 of the Act.

**Business continued to election of Chairman whilst chair vacant**

73. No business shall be discussed at any General meeting except election of a chairman while the chair is vacant.

**Chairman with consent may adjourn meeting**

74. The chairman with the consent of the meeting may and shall if so directed by the meeting adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place, subject to the provisions of the Act, it shall not be necessary to give any notice of an adjournment or of the date, the time or the place of the adjourned meeting or of the business to be transacted thereat.

**Question at general meeting how to decide**

75. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) ordered by the Chairman or demanded by at least five members having the right to vote on the resolution and present in person or by proxy or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up which is not less than one tenth of the total sum paid-up on all the shares conferring that right and unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

76. In the case of an equality of votes the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member. **Chairman's casting vote**
77. If poll is demanded as aforesaid the same shall subject to Article 72 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place and either by open, voting or by ballot as the chairman shall direct and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons who made the demand. **Poll to be taken if demanded**
78. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the results of the poll is declared to remove a scrutineer from the office and fill vacancies in the office of scrutineer arising from such removal or from any other cause. **Scrutineers at the poll**
79. Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith. **In what case poll taken without adjournment**
80. The demand for a poll, except on the questions of the election of the Chairman and on adjournment, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. **Business to proceed notwithstanding demand of poll**

#### VOTES OF MEMBERS

81. No member shall be entitled to vote either personally or by proxy for another member at any General Meeting of a class of shareholders either upon a show of hands or upon poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has any right of lien and has exercised the same. **Members in arrear not to vote**

**Voting rights of members**

82. (a) On a show of hands, every holder of equity shares entitled to vote and present in person or by proxy shall have one vote and on a poll the voting right of every holder of equity share whether present in person or by proxy, shall be in proportion to his share of the paid up equity capital of the Company.
- (b) The voting rights of the holders of redeemable cumulative preference shares shall be in accordance with Section 87 of Companies Act, 1956.

**Casting of votes by a member entitled to more than one vote**

83. 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 of his votes or cast in the same way all the votes he use.

**How members non-composments and minor to vote**

84. A member of unsound mind, or in respect of whom and order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll, vote by proxy, if any member be a minor the vote in respect of his shares shall be cast by his gurardian or any one of his gurardian, if more than one.

**Voting in person or by proxy**

85. (1) Subject to the provisions of these presents votes may be given either personally or by proxy. A corporation being a member may vote by representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to speak, demand a poll, vote appoint a proxy and in all other respects exercise the rights of a member and shall be reckoned as a member for all purposes.

**Appointment of proxy**

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



- (3) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of authority, shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instruments 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.
- (4) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in either the forms set out in Schedule IX of the Act.
- (5) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of share in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting.
86. (1) No objection shall be made to the validity of any vote, except at meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll.
- (2) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
87. Subject to the provisions of Section 193 of the Act, the Company shall cause to be kept minutes of all proceedings of general meetings which shall contain a fair and correct summary of the proceedings there at and a book containing such minutes shall be kept at the registered office of the Company and shall be open during business hours for such periods

**Deposit of instrument of appointment**

**Form of proxy**

**Validity of vote given by proxy notwithstanding death of Member**

**Time for objections to vote**

**Chairman of any meeting to be the judge of validity of any vote**

**Minutes of general meeting and inspection by member thereof**

not being less in the aggregate than two hours, in each day as the directors may determine for the inspection of any member without charge. The minutes aforesaid shall be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in the said book which shall have its pages consecutively numbered. Each page of the book shall be dated and signed by the chairman of the same meeting within the aforesaid period of thirty days or in the event of death or inability of the Chairman to sign as aforesaid within that period by a director duly authorised by the Board for that purpose. In no case shall the minutes be attached to any such book by pasting or otherwise.

### DIRECTORS

- Number of Directors** 88. Subject to sections 252 and 259 of the Act, the number of Directors shall not be less than three or more than twelve including nominee director.
- First Directors** 89. The First Directors of the Company shall be :
1. Mr. Narinder Nath Jain
  2. Mr. Nitin Jain
  3. Mrs. Usha Jain
- Appointment of alternate director** 90. Subject to Section 313 of the Act, the Board of Directors of the Company may appoint an alternate director to act for a director (hereinafter in this article called " the original director") during the absence, for a period of not less than three months from the State in which the meetings of the Board are ordinarily held.
- Directors may fill up vacancies** 91. The Directors shall have power, at any time and from time to time, to appoint any qualified person to be director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

92. The Board of Directors shall also have power, at any time and from time to time, to appoint any other qualified person to be a director as an addition to the Board so that the total number of directors shall not at any time exceed the maximum fixed in the Articles. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next Annual General Meeting but shall be eligible for re-election at such meeting
93. The company may agree with any financial institution, company or any other authority, person, state or institution that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it, it shall have power to nominate such number of directors on the Board of Directors of the Company as may be agreed and from time to time, remove and re-appoint/replace them and to fill in the vacancy caused by such directors otherwise ceasing to hold office. Such nominated directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation. The director appointed under this Article is hereinafter referred to as "Institutional Director"
94. Any Trust Deed for securing debentures or debenture-stock may, if so arranged provide for the appointment from time to time by the trustees thereof or 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 remove any director so appointed. A director appointed under this Article is herein referred to as a "Debenture Director" and this term "Debenture Director" means a Director for the time being in office under this Article. A debenture director shall not be liable to retire by rotation or 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 but however, he shall be counted in determining the number of retiring directors.
95. No Share qualifications will be necessary for being appointed as or holding the office of a director of the Company.
96. Subject to the provisions of Sections 198, 309 310 and 311 of the Act, the remuneration payable to the directors of Company may be as hereinafter provided. The remuneration

**Additional directors**

**Power to the financial institutions to nominate Directors on the Board and debenture Directors**

**Debenture Directors**

**Qualification of Directors**

**Remuneration of Directors**

of each director for attending the meeting of the Board Committee thereof shall be such being not less than Rs. 250/- (Rupees two hundred fifty) or more than Rs. 1000/- (Rupees one thousand) based on the paid up capital of the Company, from time to time as given below :

Paid up Capital (Rs)	Maximum sitting fee (Rs)
Upto Rs. 50.00 (Fifty) Lacs and	Rs. 250/- (Rupees Two hundred fifty)
more than Rs. 50.00 (Fifty) Lacs and	Rs 500/- (Rupees Five hundred)
upto Rs. 5.00 (Five) Crores	Rs. 750/-
more than Rs. 5.00 (Five) Crores and	Rs. 1000/- (Rupees One thousand)
upto Rs. 10.00 (Ten) Crores	
above Rs. 10.00 (Ten) Crores	

as may, from time to time, be fixed by the Board for each such meeting of the Board or Committee thereof attended by him. Subject to the provisions of the Act, the directors shall be paid such further remuneration (if any) as the Company in General Meeting shall, from time to time, determine and such additional remuneration shall be divided among the directors in such proportion and manner as the Board may, from time to time, determine and, in default of such determination shall be divided among the directors equally.

**Directors not a resident of the place of the registered office of the Company to be paid travelling expenses**

97. The Directors may, subject to limitation provided by the Act allow and pay to any Director who is not a resident of the place where the Registered Office for the time being of the Company is situated or where the meeting of the Board is held and who shall come to place for the purpose of attending a meeting of the Board or Committee thereof such sum as the Directors may consider fair compensation for travelling expenses, in addition to his fees for attending such meeting as above specified.

**Special remuneration of Director performing extra services**

98. Subject to the provisions of the Act and these Articles, if any directors be called upon to perform extra service or special or efforts (which expression shall include work done by a director as a member of any committee formed by the directors) the Board may arrange with such director for such special remuneration for such extra services or special exertions or efforts by way of a fixed sum or otherwise and which may be either in addition to or in substitution for his remuneration above provided above.

99. The continuing directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum number fixed the directors shall not except in emergencies or for the purpose of filling up vacancies or for summoning general meeting of the Company act as long as number is below the minimum.
100. The office of a Director shall ipso facto be vacated on happening of any of the event provided for in Section 283 of Act.
101. Subject to the provisions of Section 297 of the Act, a Director, shall not be disqualified from contracting with the company either as vendor purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such director or a firm in which such director or relative is a partner or with any other partner in such firm or with a private company of which such director is a member or director be avoided nor shall the director so contracting or being such member so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding office or of the fiduciary relation thereby established.
102. Every director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement entered into or to be entered into by or on behalf of the company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice renewable in last month of each financial year of the Company as provided for in Section 299, (2) (b) of the Act, that director is a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of the concern or interest in relation to any contract or arrangement so made and after such general notice, it shall not be necessary to give special notice, relating to any particular contract or arrangement with such body corporate or the firm provided that such general notice is given at a meeting of the board of Directors or the Director concerned takes reasonable steps to ensure that it is brought up and read at the first

**Directors may act notwithstanding vacancy**

**Office of directors to be vacated**

**Conditions under which directors may contract with company**

**Disclosure of interests**

meeting of the Board after it is given. Provided that this Article will not apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any of the directors of the Company or two or more of them together hold or hold not more than 2% (Two percent) of the paid up share capital in the other company.

**Retention of benefit from associated company**

103. A director of a company may become a director of any company promoted by the company or in which he may be interested as vendor, member of otherwise and no such director may be accountable for any benefit received as director or member of such company.

**Interested director not to participate or vote in the proceedings of the Board**

104. Subject to provisions of Section 300 of the Act, no director shall as a director take part in the discussions of or vote at any contract or arrangement in which he is in any way whether directly or indirectly concerned or interested nor shall his presence be count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to the exceptions provided for in Section 300 of the Act.

**Rights of Directors**

105. Except as otherwise provided by these articles all the directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

#### **ROTATION OF DIRECTORS**

**Retirement and rotation of director**

106. At the first annual general meeting of the company, all the directors (except those who are not liable to retire by rotation) and at the annual general meeting of the company in every subsequent year one-third of such of the directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three the number nearest to one third shall retire from office.

**Ascertainment of directors retiring by rotation and filling of vacancies**

107. Subject to section 256 of the Act, the Directors to retire by rotation under the last preceding Article at every at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who become directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot.

108. A retiring director shall be eligible for re-election. **Eligibility for re-election**
109. Subject to provisions of the Act, the Company at the General meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto. **Company to appoint successors**
110. (a) If the place of the retiring director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. **Provision in default of appointment**
- (b) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring director shall be deemed to have been reappointed at the adjourned meeting, unless.
- (i) At that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost; or
  - (ii) The retiring director has, by a notice in writing addressed to the Company or the Board, expressed his unwillingness to be so re-appointed; or
  - (iii) He is not qualified for appointment; or
  - (iv) A resolution whether special or ordinary is required for the appointment or re-appointment by virtue of any provisions of the Act; or
  - (v) The provision to sub-section (2) of the Section 263 of the Act is applicable to the case.
111. Subject to the provisions of Sections 252, 258 and 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of directors and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the director in whose place he is appointed would have held the same if he had not been so removed. **Increasing and reducing the number of director**

**Notice of candidature for office of director except in certain case**

112. (a) No person, not being a retiring director, shall be eligible for election to the office of director at any general meeting unless he or some other member intending to propose him has at least fourteen clear days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of director or the intention of such member to propose him as a candidate for that office and he or the propose has deposited with the Company Rs. 500/- (Rs. Five hundred) as a security alongwith the notice as required under section 257 of the Companies Act, 1956.
- (b) On the receipt of the notice referred to in Clause (a) of this Article the company shall inform its members of the candidature of a person for the office of director or the intention of a member to purpose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting provided that it shall not be necessary for the company to serve individual notice upon the member if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the district in which the registered office of the company in situated of which the registered office of the Company in situated of which one is published in the English language and the other in the regional language.

**Disclosure by Director of Appointment to any other body corporate**

113. (a) Every director (including a person deemed to be a director by virtue of the explanation of sub-section (1) of section 303 of the Act), Managing Director, Manager or Secretary of the company shall, within twenty days of his appointment to or as the case may be relinquishment of any of the above office 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 sub-section (i) of Section 303 of the Act.
- (b) Every director and every person deemed to be a director of the Company by virtue of sub-section (10) of Section 307 of the Act, and every manager shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the company to comply with the provisions of that Section.



### PROCEEDINGS OF DIRECTORS

114. (1) Subject to the provisions of Section 285 of the Act, the Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meeting as it thinks fit.
- Meeting of director**
- (2) Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or minimum two 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 directors that is to say the number the minimum of directors who are not interested shall be the quorum during such time provided such number is not less than two.
- Quorum**
115. If a meeting of the Board could not be held for want of quorum, then the meeting shall stand adjourned to such other time, date and place as may be fixed by the directors present not being later than fifteen days from the date originally fixed for the meeting.
- Adjournment of meeting for want of quorum**
116. The Chairman, if any, or the Managing Director of his own motion or the Secretary of the Company shall upon the request in writing of two directors of the company or if directed by the Managing Director or Chairman, if any, convene a meeting of the Board by giving a notice in writing to every director for time being in India and at his usual address in India to every other director.
- When meeting to be convened**
117. The directors may, from time to time, elect from among their number, a chairman of the Board and determine the period for which he is to hold office. If at meeting of the Board the Chairman is not present within fifteen minutes of the time appointed for holding the same, the directors present may choose one of their members to be chairman of the meeting.
- Chairman**
118. Questions arising at any meeting of the Board shall be decided by a majority of votes and in case of equality of votes, the Chariman shall have a second or casting vote.
- Questions at Board Meetings, how decided**

**Powers of Board meeting**

119. A meeting of the Board for the time being at which quorum is present shall be competent to exercise all or any of the authorised powers and discretions which by or under the Act or the Articles of the Company are for time being vested in or exercisable by the Board generally.

**Directors committees may appoint any delegates its powers**

120. Subject to the restrictions contained in Sections 292 and 293 of the Act, the Board may delegate any of their powers to a committee of directors consisting of such director or directors or one or more directors and a member or members of the company as it thinks fit or to the Managing Directors, the Manager or any other principal officer of the company or a branch office or to one or more of them together 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 purposes but every Committee of the board, so formed in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board provided that such delegation shall not be in respect of matters enumerated in sub-clauses (a), (b), (c), (d), or (e) of Clause (l) as modified by explanations II thereof) of Section 292 of the Act save and except that the said powers may be delegated only to the extent permitted by and subject to restrictions and limitations contained in clause (2), (3) and (4) of Section 292 of the Act.

**Meeting of Committee how to be governed**

121. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors so far as the same applicable thereof and are not superceded by any regulations made by the directors under the last preceding article.

**Resolution by Circulation**

122. A resolution shall be deemed to have been duly passed by the Board or a Committee thereof by circulation, if the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the board or

Committee as the case may be) and to all other directors or members of the Committee at their usual address in India and has been approved by such Directors or members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.

123. All acts done by any meeting of the Board or by a committee of the Board or by any person acting as a director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such director or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them has been terminated by virtue of any provisions contained in the Act or in these Articles be as valid as if every such person has been duly appointed and was qualified to be a director and had not vacated his office or his appointment had been terminated provided that nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the company to be invalid or to have terminated.

Acts of Board or Committee valid notwithstanding invalid appointment

124. The Company shall cause minutes to be duly entered in a book or books provided for the purpose;

Minute of proceeding of directors and committee to be kept

- (i) Of the name of the Directors present at such meeting of the Board, and of any committee of the Board;
- (ii) Of all orders made by the Board and Committee of Board;
- (iii) Of all resolution and proceedings of the meetings of the Board and committees of the Board; and
- (iv) In the case of each resolution passed at a meeting of the Board or committees of the Board the names of those directors, if any, dissenting from or not concurring in the resolution. Every such book shall be maintained and the minutes entered therein and signed in the manner laid down by Section 193 of the Act and the minutes so entered and signed shall be received as conclusive evidence of the proceedings recorded therein.

**POWERS OF THE BOARD****powers of the Board**

125. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things the Company is authorised to exercise and do provided that the Board shall not exercise any power to do any act or thing which is directed or otherwise required whether by the Act or in other statute or by the Memorandum of Association of the Company or by these Articles or otherwise to be exercised or done by the Company in General meeting provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any, other Act or in the Memorandum of Association of the Company or these Articles or any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if those regulations had not been made.

**Further powers of the Board**

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

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the company.
- (2) To pay and charge to the Capital account of the company any commission or interest lawfully payable under the provisions of Section 76 and 208 of the Act.
- (3) Subject to Sections 292, 297 and 360 of the Act, to purchase or otherwise acquire for the Company property rights or privileges which the company is authorised to acquire at or for such price or consideration and on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the directors may believe or may be advised to be reasonably satisfactory.

- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partly in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully as paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To secure the fulfilment of any contracts or engagement entered into by the company by mortgage or charge of all or any of the property of the company and its uncalled capital for the time being or in such manner as they think fit.
- (6) To accept from any member, so far as may be permissible by law, surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the company any property belonging to the company or in which it is interested or 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 trustees.
- (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company and to refer any differences to arbitration either according to Indian law or according to any foreign law and either in India or abroad, and observe, perform or challenge any award made thereon.
- (9) To act on behalf of the Company in all matters relating to bankrupts or insolvents.
- (10) To make and give receipts, release and other discharges for moneys payable to the company and for the claims and demands of the Company.

- (11) Subject to the provisions of Section 292, 293, 295, 370, 372 and 373 of the Act, to invest and deal with any moneys of the Company, upon such security (not being shares of this company), or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investment shall be made and held in the company's own name.
- (12) To execute in the name and on behalf of the company in favour of any director or other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements shall be agreed upon.
- (13) To determine, from time to time, who shall be entitled to sign, on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, release, contracts and documents and to give the necessary authority for such purpose.
- (14) To distribute by way of bonus amongst the staff of the company, a share in the profits of the company and to give to 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.
- (15) To provide for the welfare of directors, ex-directors or employees or ex-employees of the Company and the wives, widows and families or the dependants or connection of such persons by building or contributing to the building of houses, dwelling or chawls or by grants of money, pension, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing contributing to provide and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of interest and recreation, hospitals and dispensaries, medical and other

attendance and other assistance, subject to the limits laid down by Section 293 and 293 A of the Act as the Board shall think fit and subject to provisions of the Act to subscribe or contribute or otherwise to assist or to guarantee moneys to charitable benevolent, religious scientific, national or other institutions, bodies and objects which shall have any moral or other claim to support or and by the company, either by reason of locality of operation or of public and general utility or otherwise.

- (16) Subject to the provisions of the Act, to appoint and at their discretion, remove or suspend such general managers, managers, secretaries, assistants, supervisors scientists, technicians, engineers, consultants, legal, medical or economic advisers, reserarch workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may, from time to time think fit and to determine their power and duties and fix their salaries or emoluments or remuneration and to require security in such instances and of such amount as they may think fit and from time to time, to 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.
- (17) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company be necessary or expendent to comply with.
- (18) 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 locality in India or elsewhere and to appoint any person to be members of such local Board and to fix their remuneration.
- (19) Subject to Section 292 and 293 of the Act, from time to time and at any time, to delegate to any person so appointed any of the powers authorities and discretion for the time being vested in the Board and to authorise the member for the time being of any such local Board

or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board thinks fit and may at any time remove any person so appointed and may annul or vary such delegation.

- (20) At any time and from time to time by power of attorney under the seal of the company, to appoint any person or persons to be the attorney of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may, from time to time, think fit and any such appointment may (If the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any company or the shareholders, directors, director nominees or managers of any company or firm or otherwise in favour for any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with attorneys as the Board may think fit and may contain powers enabling any such delegate or attorneys as aforesaid to subdelegate all or any of the powers, authorities and discretions for the time being vested in them.
- (21) Subject to Sections 294, 294A, 297 and 300 of the Act, 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 do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (22) Subject to Section 293 of the Act, to sell, lease or otherwise dispose of any of the properties or undertakings of Company.



- (23) Subject to the provisions of the companies Act, 1956 the Board may pay such remuneration to chairman/Vice Chairman of the Board upon such conditions as they think fit.

#### **APPOINTMENT AND POWERS OF MANAGING DIRECTORS**

127. (1) Subject to the provisions of the Act, the Board may appoint or reappoint one or more of their number as Managing Directors, Managing Directors to discharge such functions duties as the board may assign on such conditions as they think fit provided that the appointment or reappointment as the case may be, shall not be for a period exceeding five years at any one time.
- (2) A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, but he shall be reckoned as a Director for the purpose of fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors of the company, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director for any cause.
- (3) Subject to the provisions of the Act and to the general supervision and control of the Board, any Managing Director or Managing Directors shall have the General direction, management and superintendence of the business of the company with power to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business and concerns of the company, including power to appoint, suspend and dismiss officers, staff and workmen of the Company, to make and sign all contracts and receipts and to draw, accept, endorse and negotiate on behalf of the company all such Bills of Exchange, Promissory Notes, Hundies, Cheques, Drafts, Government Promissory Notes, or other Government papers and other instruments as shall be necessary, proper or expedient for carrying on the business of the Company and to operate on the Bank accounts of the company and to represent the Company in all suits and all other legal proceedings and to engage Solicitors, Advocates and other Agents and to sign the

necessary papers, documents and instruments of authority, to appoint agents or other attorneys and to delegate to them such powers as the Managing Director or Managing Directors may deem and at pleasure, such powers to revoke and generally to exercise all such powers and authorities as are not by the Companies Act, 1956 for the time being in force or by these Articles expressly directed to be exercised by the Board of Directors or by the Company in General Meeting.

- (4) The Managing Director or Managing Directors shall not exercise the powers to:-
- (a) make calls on shareholders in respect of money unpaid on their shares in the Company,
  - (b) issue debentures, and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 and 293 of the Act, shall also not exercise the powers to
  - (c) borrow moneys, otherwise than on debentures,
  - (d) invest the funds of the Company, and
  - (e) make loans.
- (5) The Company shall not appoint or employ, or continue the appointment of a persons as its Managing or wholetime Director who-
- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent,
  - (b) suspends, or has at any time suspended, payment to his creditors, or makes, or has at any time made a composition with them; or
  - (c) is, or has at any time been, convicted by a court of an effence involving moral attitude.

128. Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may, from time to time, be approved by the Company. **Remuneration of Managing Director/**
129. Subject to the provisions of the Act and particular to the prohibitions and restrictions contained in Section 292 thereof the Board may, from time to time, entrust to and confer upon the Managing Director or Managing Directors for the time being such of the powers exercisable under these presents by Directors as they may think fit and may confer such power for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think fit; and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the directors in that behalf and may, from time to time revoke withdraw, alter or vary all or any of such powers. **Power of Managing Director**
130. Subject to the provisions of the Act, the Managing Director or Managing Directors shall not, while he or they continue to hold that office, be subject to retirement by rotation in accordance with these Articles but he shall be counted for determining the number of retiring directors. **Special position of Managing Directors**

#### COMMON SEAL

131. The Board shall provide a common seal for the Company and shall have powers, from time to time, to cancel the same and substitute a new seal in lieu thereof. The Common Seal shall be kept at the Registered Office of the Company or at any other place as may be decided by the Board and Committed to the Custody of the Secretary/authorised officials. **The Seal, its Custody and use**
- The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act for use in any territory, district or place outside India.
132. Every Deed or other instruments to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney be signed by one director and the secretary or some other person appointed by the Board for the purpose, provided nevertheless that certificate of **Affixation of common seal**

shares may be sealed in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or the statutory modification or re-enactment thereof for the time being in force.

#### DIVIDENDS

##### How profits shall be divisible

133. Subject to the rights member entitled to shares (if any) with preferential or special rights attached thereto the profits of the Company which shall, from time to time, be determined to be divided in respect of any year or otehr period shall be applied in the payment of a dividend on the equity shares of the Company but so that a partly paid-up share shall only entitle the holder with respect thereto to such proportion of the distribution upon a fully paid-up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid-up in advance of call upon the footing that the same shall carry interest' such capital shall not, whilst carrying interest confer a right to participate in profits.

##### Declaration of dividends

134. The Company in General Meeting may declare a dividend to be paid to the members according to the rights and interest in the profits and may fix the time for payment.
135. No larger dividend shall be declared than is recommended by Directors but the Company in general meeting may declare a smaller dividend.
136. No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits.

##### Ascertainment of amount available for dividend

137. Where any assets, business or property is bought by the Company as from a past date upon the terms that the company shall as from that date take the profits and bear the losses thereof such profit and losses as the case may be shall, at the direction of the Directors, be so credited or debited wholly or in part to the Profits and Loss Account and in that case the amounts so credited or debited shall for the purpose of ascertaining the fund available for dividend be treated as a profit or loss arising from the business of the Company and available for dividend accordingly. If any share or securities are purchased with dividend or interest such dividend or interest when paid may at the discretion of the directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.

138. The amount of the net profits of the company as shown in audited annual Account shall be conclusive. **What to be deemed net profits**
139. The Board may, from time to time, pay to the members such interim dividends as appear to them to be justified by the profits of the Company provided that the Board may rescind its decision if the situation so warrants. **Interim dividends**
140. Subject to Section 205A of the Act, the Directors may retain dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts liabilities or engagements in respect of which the lien exists. **Debts may be reduced**
141. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due to the Company. **No member to receive dividend whilst indebted to the Company and right of reimbursement thereout**
142. A transfer of shares not pass the right to any dividend declared thereon before the registration of the transfer and pending registration of transfer the dividend shall be dealt with as required under section 205A of the Companies Act, 1956. **Transfer of shares must be registered**
143. Unless otherwise directed any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant, sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the jointholding. 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 or pay slip or receipt lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means. If several persons are registered as joint-holders of any shares, any one of them can give effectual receipt for any dividends or other moneys payable in respect thereof. The Company shall comply with the provisions of Section 205-A of the Act and rules made thereunder in respect of any unclaimed or unpaid dividend. **Dividends; how remitted**

**CAPITALISATION****Capitalisation of reserves**

144. Any General Meeting may resolve that any money investments or other assets forming part of the undivided profits of the Company standing to the credit of any reserve or reserves or any capital redemption reserve fund or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the share premium account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued shares, of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum provided that any sum standing to the credit of a share premium account or a capital redemption reserve fund may for the purpose of this Article only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

**Surplus money**

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

**Fractional Certificates**

146. For the purpose of giving effect to any resolution under the preceding two Article the Board may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificates.

**ACCOUNTS****Books of account to be kept**

147. The Board of directors shall cause to be kept proper books of accounts on accrual basis and according to double entry system of accounting as required under Section 209 of the Act with respect to :-

- (a) all sums of money received and expended by the company and the matter in respect of which the receipt and expenditure take place;
- (b) all sales and purchases of goods by the company;
- (c) the assets and liabilities of the Company.

148. The books of accounts shall be kept at the office or subject to the provisions to Section 209 of the Act at such other place as the directors think fit and shall be open to inspection by the directors during the business hours.

**Where to be kept**

149. The Directors shall, from time to time, determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the members not being directors and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the directors.

**Inspection by members**

150. The Directors shall, from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act cause to be prepared and to be laid before the Company in Annual General Meeting such Profit and Loss Accounts, Balance Sheet and reports as are referred to in those Sections.

**Statement of accounts to be furnished to General Meeting**

151. A copy of every such Profit and Loss Account and Balance Sheet (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet) shall, at least twenty one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which are payable to the bearer there of) to trustees for the holders of such debentures and to all persons entitled to receive notices of Annual General Meetings of the Company.

**Accounts to be sent to each member**

#### **AUDIT**

152. Auditors shall be appointed at their rights and duties regulated in accordance with section 224 to 233 of the Act.

**Accounts to be audited**

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

153. Every account of the Company when audited and approved by Annual General Meeting shall be conclusive except as regard any error discovered therein within three months next after the approval thereof. When any such error is discovered within that period the accounts shall forthwith be corrected and thenceforth shall be conclusive.

#### DOCUMENTS AND NOTICE

Service of documents or notices on members by the Company

154. (1) A document or notice may be served or given by the company on any member or an officer thereof either personally or by sending it by post to him to his registered address or (if he has no registered address in India ) to the address, if any within India supplied by him to the company for serving documents or notices on him.
- (2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided that where a member has intimated to the company in advance that documents or notice should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of meeting at the expiration of forty eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

By Advertisement

155. A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company any address within India for the service of documents on him or the sending of notice to him.



156. A documents or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to him 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 person claiming to be so entitled (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
157. Documents or notices of every General Meeting shall be served or given in same manner herein before authorised on or to (a) every member (b) every person entitled to a share consequence of the death or insolvency of a member and (c) the auditor or auditors for the time being of the company.
158. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register of members, shall have been duly served on the person from whom he derives his title to such share.
159. Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature may be written, printed or lithographed.
160. All documents or notices to be served or given by members on or to the Company or any officer thereof shall be served or given by sending them to the Company or officer at the office by post under a certificate of posting or by registered posting or by leaving it at the office.

**On personal representatives**

**To whom documents or notices must be served or given**

**Members bound by document or notices served on or given to previous holders**

**Document or notice by company and signature thereto**

**Service of document or notice by member**

#### **AUTHENTICATION OF DOCUMENTS**

161. Save as otherwise expressly provided in the Act, or these Articles documents or proceedings requiring authentication by the Company may be signed by a Director or an authorised officer of the Company and need not be under its seal.

**Authentication of documents and proceedings**

**WINDING UP****Liquidator may divide assets in specie**

162. The liquidator on any winding-up (whether voluntary, under supervision, of the court or compulsory) may, with the sanction of a special resolution but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the company in trustees upon such trusts for the benefit of the contributories as the liquidators, with the like sanction, shall think fit.

**INDEMNITY AND RESPONSIBILITY****Indemnity**

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

**Individual responsibility**

164. Subject to the provisions of the Act, no Director, Auditor or other Officer of the Company shall be liable for the Act, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the director for or

on behalf of the company or for the insufficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation there to unless the same shall happen through his own dishonesty.

**SECRECY**

165. No member shall be entitled to visit or inspect any works or the Company without the permission of the Directors or to require discovery of any information respecting any detail of the Comapny's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the Company and which in opinion of the Directors it would be inexpedient in the interest of the Company to disclose.

**Secrecy**

Sl. No.	Name, Address, Description and Occupation of each subscribers	Signature of Subscriber	Signature of witness with address, description and occupation
1.	Ravinder Kumar Jain S/o Sh. Madan Lal Jain House No. 1363, Bagh Wali Gali, Ludhiana-141008 Business	Sd/-	<p data-bbox="982 698 1040 1317">I hereby witness the signatures of above subscribers who have signed in my presence.</p> <p data-bbox="1040 981 1068 1032">Sd/-</p> <p data-bbox="1068 846 1105 1167">( PRADEEP AGGARWAL )</p> <p data-bbox="1105 927 1133 1093">M. No. 81984</p> <p data-bbox="1133 676 1255 1339">S/o Dr. M.L. Aggarwal P. AGGARWAL &amp; ASSOCIATES, Chartered Accountants 908, Arunachal, 19, Barakhamba Road, New Delhi-110001</p>
2.	Nitin Jain S/o Narendar Nath Jain 1582, Outram Lane, Arihant Kunj, Delhi Business	Sd/-	
3.	Pooja Jain W/o Mr. Nitin Jain 1582, Outram Lane, Arihant Kunj, Delhi Business	Sd/-	
4.	Narendar Nath Jain S/o Shri Matwal Chand Jain 1582, Outram Lane, Arihant Kunj, Delhi-110009 Business	Sd/-	
5.	Usha Jain W/o Narendar Nath Jain 1582, Outram Lane, Arihant Kunj, Delhi Business	Sd/-	
6.	Arim Jain S/o Sh. Prem Sagar Jain H. N. 431/1, Govt. College Road, Civil Lines, Ludhiana Industrialist	Sd/-	
7.	Ravi Shanker Kapoor S/o Late Daya Shanker Kapoor 15-D, Kamla Nagar, Delhi	Sd/-	

Dated : 21-3-94

Place : NEW DELHI.