

**SHANTI GURU INDUSTRIES LIMITED**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**



सत्यमेव जयते

GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

**Certificate of Incorporation pursuant to change of name**  
*[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]*

Corporate Identification Number (CIN):



Registrar of Companies

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Mailing Address as per record available in Registrar of Companies office:





प्रारूप 1  
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U52330TN2010PTC077507

2010 - 2011

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

RCL RETAIL PRIVATE LIMITED

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी प्राइवेट लिमिटेड है।

यह निगमन-पत्र आज दिनांक उनतीस सितम्बर दो हजार दस को मेरे हस्ताक्षर से चैन्नई में जारी किया जाता है।

Form 1  
Certificate of Incorporation

Corporate Identity Number : U52330TN2010PTC077507

2010 - 2011

I hereby certify that RCL RETAIL PRIVATE LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is private limited.

Given under my hand at Chennai this Twenty Ninth day of September Two Thousand Ten .

(K THIRUMALAIMUTHU)

उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies

तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

Tamil Nadu, Chennai, Andaman and Nicobar Islands

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

RCL RETAIL PRIVATE LIMITED

84/85 WALLTAX ROAD, CHENNAI - 600003,

Tamil Nadu, INDIA

# भारत सरकार-कॉर्पोरेट कार्य मंत्रालय

कम्पनी रजिस्ट्रार कार्यालय, तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

लिमिटेड कम्पनी के रूप में परिवर्तित होने के परिणामस्वरूप, कम्पनी के नाम में परिवर्तन का नया  
निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U52330TN2010PLC077507

मैसर्स RCL RETAIL PRIVATE LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

RCL RETAIL PRIVATE LIMITED

जो मूल रूप में दिनांक उनतीस सितम्बर दो हजार दस को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स

RCL RETAIL PRIVATE LIMITED

के रूप में निगमित की गई थी, और उसके द्वारा कम्पनी अधिनियम, 1956 की धारा 44 के साथ पठित धारा 31/21 की शर्तों के अनुसार विधिवत  
आवश्यक विनिश्चय दिनांक 23/03/2011 को पारित किया है, उक्त कम्पनी का नाम परिवर्तित होकर आज मैसर्स

RCL RETAIL LIMITED

हो गया है तथा यह प्रमाण-पत्र उक्त अधिनियम की धारा 23(1) के अनुसरण में जारी किया जा रहा है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर से आज दिनांक पांच अप्रैल दो हजार ग्यारह को चैन्नई नगर में जारी किया जाता है।

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## GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS

Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands

### Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company

Corporate Identity Number : U52330TN2010PLC077507

In the matter of M/s RCL RETAIL PRIVATE LIMITED

I hereby certify that RCL RETAIL PRIVATE LIMITED which was originally incorporated on Twenty Ninth day of September Two Thousand Ten under the Companies Act, 1956 (No. 1 of 1956) as RCL RETAIL PRIVATE LIMITED having duly passed the necessary resolution on 23/03/2011 in terms of Section 31/ 21 read with Section 44 of the Companies Act, 1956; the name of the said company is this day changed to RCL RETAIL LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Chennai this Fifth day of April Two Thousand Eleven.

(K THIRUMALAIMUTHU)

उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies

तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

Tamil Nadu, Chennai, Andaman and Nicobar Islands

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कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

RCL RETAIL LIMITED

84/85 WALLTAX ROAD, CHENNAI - 600003,

Tamil Nadu, INDIA

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)  
उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U52330TN2010PLC077507

मैसर्स RCL RETAIL LIMITED

के अंशधारकों ने दिनांक 05/12/2011 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, एतद्वारा सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परिवर्तित संगम-ज्ञापन के साथ, आज पंजीकृत कर ली गई है।

चैन्नई में यह प्रमाण-पत्र, आज दिनांक पांच जनवरी दो हजार बारह को जारी किया जाता है।

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GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956  
Certificate of Registration of the Special Resolution Confirming Alteration of Object  
Clause(s)

Corporate Identity Number : U52330TN2010PLC077507

The share holders of M/s RCL RETAIL LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 05/12/2011 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given at Chennai this Fifth day of January Two Thousand Twelve.

Validly signed  
Digitally signed by  
Date: 2012.01.05 16:42:14  
GMT+05:30

Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands

कम्पनी रजिस्ट्रार, तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

\*Note: The corresponding form has been approved by S R RADHIKA, Assistant Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website ([www.mca.gov.in](http://www.mca.gov.in)).

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कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :  
Mailing Address as per record available in Registrar of Companies office:  
RCL RETAIL LIMITED  
NO.84/85, WALLTAX ROAD, 2ND FLOOR,  
CHENNAI - 600003,  
Tamil Nadu, INDIA



**THE COMPANIES ACT, 1956**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**SHANTI GURU INDUSTRIES LIMITED**

- I.** The **name** of the Company is **SHANTI GURU INDUSTRIES LIMITED. @**
- II.** The **Registered Office** of the Company will be situated in the State of Tamil Nadu.
- III.** The Objects for which the company is established are:

**[A] THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION:**

1. To carry on trade or retail business in India through retail outlets and including but not limited to hyper markets, super markets, mega stores/discount stores, cash & carry, departmental stores, shoppers plaza, direct to honiü, phone order and mail order, catalogue, through internet and other forms and multi level channels for all products and services, dealing in all kinds of goods, materials and items including but not limited to food & provisions, household goods, consumer durables, jewellery, home improvement products, footwears, luggages, books & stationery, health care and beauty products, toys and music, computers & accessories, telecom products, electronic products, agri input products, furniture, furnishing & accessories, and acquiring and running food, service and entertainment centres including but not limited to multiplexes, cinemas, gaming centres, amusement parks, restaurants and food courts.

2. To carry on the business as the dealers, distributors, importers, exporters, agents of all kinds of fast moving consumer products like processed ad unprocessed food items, toiletries and to promote own, operate a chain of shop for any or all of the above mentioned products.

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@ RCL RETAIL LIMITED name has been changed to SHANTI GURU INDUSTRIES LIMITED vide special resolution passed in the extraordinary General Meeting held on 7<sup>th</sup> October, 2022.

3. "To manufacture, process, prepare, preserve, can, refine, bottle, buy, sell and deal whether as wholesalers or retailers or as exporters or importers or as principals or agents, in food grains, ready to eat foods , ready to cook foods, food ingredients and flavors, canned and tinned and processed foods, protein, health and instant foods of all kinds including baby and dietetic foods, cereals, beverages, cordials, tonics, restoratives and aerated mineral waters and food stuffs and consumable provisions of every description for human consumption"

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\* Amended vide special resolution passed in the Extra ordinary General Meeting held on 23.03.2011 For conversion of private limited to public limited.

\*\* Inserted vide special resolution passed in the Annual General Meeting held on 05.12.2011.

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

1. To acquire and undertake the whole or any part of the business, property and liabilities of any Person / Firm / Company carrying on any business which the Company is authorised to carry on or possession of property suitable for the purposes of the objects of the Company.
2. To apply for, purchase or otherwise, acquire any patent, patent right, copyright, trade marks, formulae, license, lease, concessions, conferring any exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may directly or indirectly to benefit the Company, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property rights, or information so acquired.
3. To amalgamate or enter into any arrangement for sharing of profits, union of interest, co-operation, reciprocal concession, lease, license or otherwise with any person carrying on or transaction which the Company is authorised to carry on or engage in.
4. To enter into any arrangement with any Government or authority whether municipal, local or otherwise or any person, that may seem conducive to the Company's objects or any of them; and to obtain from any such Government or authority any rights, privileges and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangement, rights, privileges and concessions.

5. To establish or support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of past or present employees or directors of the Company or the dependents of such persons, and to grant pensions and allowances, to make payments towards insurance, to subscribe or guarantee money for charitable or benevolent objects or useful objects for general public.
6. To purchase or import, take on lease or in exchange, hire or otherwise acquire any movable or immovable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, casements, machinery, plant and stock-in-trade.
7. To invest and deal with money of the Company, not immediately required in such manner, as may, from time to time, be thought fit subject to provisions of the Act.
8. To lend and advance money or give credit to any person or Company; to give guarantee or indemnify for the payment of money or the performance of contracts of obligations by any persons; to secure or undertake in any way the repayment of moneys lent or advanced to, or the liabilities incurred by any person subject to the provisions of the Act;
9. To borrow or secure money in such manner as the Company may think fit or to make repayment of any debt, liability, perform any contract entered into or the issue of debentures, perpetual or otherwise, charged upon all or any of the Company's property (both present and future) including its uncalled capital; and to purchase, redeem, or pay off any such securities.
10. To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory notes and negotiable or transferable instruments and to open Current or other accounts with any banks or merchants to pay any money into and draw money from such accounts.
11. To sell or dispose of, to improve, manage, develop or exchange the undertaking, property or rights of the Company or any part thereof for such consideration as the Company may think fit.
12. To adopt such means of making known and advertising the business and products of the Company as may be expedient.



13. To apply for, promote and obtain any order, regulation, or other authorization or enactment, which may directly or indirectly benefit the Company.
14. To procure recognition of the Company in any country or place outside India.
15. To Issue or allot fully or partly paid shares in the capital of the Company in payment or part payment of any movable or immovable property purchased or otherwise acquired by the Company or any services rendered to the Company.
16. To take or hold mortgages, liens, and charges to secure payment of the purchase price, or any unpaid balance of the purchase price, of any part of the Company's property of any kind sold by the Company, or any money due to the Company from buyer.
17. To produce gas and generate electricity necessary for the purpose of the business of the Company and to process or deal with all products resulting from or ancillary to such production.
18. To pay out of the funds of the Company all or any expenses which the Company may lawfully pay for services rendered for formation and registration of the Company and for promotion of any other Company by it subject to the provisions of the Act.
19. To insure any of the properties, undertakings, contracts, risk or obligation of the Company in any manner whatsoever.
20. To make donations either in cash or in kind for such objects or causes as may be directly or indirectly conducive to any of the Company's objects or otherwise expedient.
21. To aid and support, any person, association, body or movement, whose object is solution, settlement or surmounting of industrial or labour problems of the promotion of industry, trade or business of the Company or for the promotion of science and Technology, Cultural activities, sports, environment, rural development and other social and welfare activities.
22. To establish or support associations, institutions, schools, hospitals, guest houses, clubs, funds and trusts which may be considered beneficial to any

employees or ex-employees and to officers and ex-officers of the Company or the dependents of any such person.

23. To refer all questions, disputes or differences arising between the Company and any other person (other than a Director of the Company) in connection with or in respect any matter relating to the business or affairs of the Company to arbitration in such manner and upon such terms as the Company and such other person may mutually agree upon in each case and such reference to arbitration may be in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and the Rules of the International Chamber of Commerce relating to arbitration and to institute legal proceedings or defend any proceedings and to appoint advocates, consultants or advisors in this behalf.
24. To enter into negotiation or collaboration, technical, financial or otherwise with any person or Government for obtaining any grant, license or on other terms, formulae and other rights and benefits, and to obtain technical information, know-how and expert advice for the production manufacture and export or sale of all types of goods which the Company is authorised to produce or to deal in.
25. To arrange for the marketing in India or abroad and sale of the products and by-products of the Company and purchase of raw materials, goods and articles as are necessary for carrying on the business of the Company and, for that purpose, either to establish its own shops, agencies, or marketing organizations or to appoint selling or buying agents or distributors or both (whether individuals, firms or bodies corporate) in any place in or outside India and to allot, specify, alter or modify their areas of remuneration to such selling or buying agents or distributors or both by way of such commission or in such manner as the Company may deem fit.
26. To create any depreciation fund, reserve, reserve fund, sinking fund, insurance fund, or any special or other fund whether for repayment of redeemable preference shares, redemption of debentures or debenture stock for dividends, for equalizing dividends, for repairing, improving extending and maintaining any part of the property of the Company.
27. To open and operate any type of bank accounts with the Bank and obtain credit facilities with or without securities for its business.

28. To train or pay for training in India or abroad of any of Company's employees or officers of any candidate in the interest of or furtherance of the Company's objects and to establish research and development centers for the business of the Company.
29. To purchase, take on lease, or otherwise acquire and hold any lands and prepare lay-out thereon or buildings of any tenure or description wherever situate, or rights or interest therein or connected therewith.
30. To invest and deal with monies of the company not immediately required in immovable properties, shares, stocks, debentures, obligations or other securities of any company or association or in the Government Securities or in deposit accounts with banks or on the mortgage of immovable properties of any tenure or on the pledge of movable properties or in any other manner as may from time to time be determined by the directors of the company for the time being and from time to time sell or vary such investments and execute all assignments, transfer, receipts and documents that may be necessary in that behalf.

**C. THE OTHER OBJECTS OF THE COMPANY NOT INCLUDED IN (A) AND (B) ARE:**

1. To carry on business in all natural, artificial, synthetic or chemical, edible food colour.
2. To carry on business as manufacturers, importers, exporters, producers, manufacturers of and dealers in beverages of all kinds and description and for that purpose to setup, install, purchase, import or otherwise acquire all plant, machinery and related equipment
3. To buy, sell, manufacture, import and deal in all types of stoppers of bottles, corks including in-plate crown corks, cartes and containers, whether of glass or any other material and to run, maintain all such machinery and equipment.
4. To engage in general research and development in related areas.
5. To buy, sell, manufacture, import, export, distribute and otherwise deal in all kinds and varieties of cosmetics, non-prescribed drugs, health care products, food preservatives and additives, fast foods, artificial flavorings, artificial dyes

and coloring agents, oleoresins, beauty and skin care products, perfumes, colognes, food supplements health aids, glamour products.

6. To carry on the business of manufacturers of and dealers in chemicals, chemical compounds (organic and inorganic) in all forms and chemical products of any nature and kind whatsoever and all by-products and joint products thereof.
7. To transact and carry on all agency businesses.
8. To manufacture, produce, refine, process, formulate, buy, sell, import, export or otherwise deal in lipids including but not limited to Omega-3 and Omega-Fatty Acids, Active Pharmaceutical Ingredients, phyto chemicals, plant extracts, pigments, nutrients, pesticides and their intermediates or formulations etc used or able of being used in the Nutrition, therapeutics, cosmetics, topical pharmaceuticals, textiles, agriculture, fertilizers, petrochemicals or any other industry and trade or laboratory including industrial chemicals or any other mixture, derivatives, formulations and compounds thereof.
9. To carry on the business, as manufacturers of and dealers in and importers, and exporters of all kinds of basic drugs, drug intermediates, any chemicals, heavy or fine, organic, agro-chemicals, aromatic chemicals, dyes and dyes intermediates, pharmaceuticals, medicinal, herbal, bacteriological, biological, chemicals and all allied chemicals and products thereof.
10. To manufacture, produce, refine, process, formulate, acquire, convert, sell, distribute, import, export, deal in either as principals or agents in organic and inorganic chemicals, alkalis, acids, gases, petrochemicals, salts, electrochemicals, chemical elements and compound pesticides, insecticides, explosives, light and heavy chemicals of any nature used or capable of being used in the pharmaceuticals, textile industry, defence chemicals, fertilizers, petrochemicals and industrial chemicals and pesticides and insecticides, solvents of any mixtures derivatives and compounds thereof.
11. To carry on business as manufacturers, producers, growers, fabricators, processors, refiners, stockists, agents, importers, exporters, traders, whole sellers, distributors, concessionaires or dealers of drugs, medicines, chemicals, spirits, mixtures, tonics, pigments, powders, tablets, pills, capsules, injections, oils, compounds, mother tincture preparations, globules, creams, scents, soaps, lotions, toilet goods and all kinds of pharmaceutical, cosmetic

and medical preparations required or used in homeopathic, allopathic, ayurvedic, biochemic or any other medicinal system or branch of medicine or as beauty aid or personal hygiene, juices, squash, sharbat, nourishment foods and concentrates, bandages, cotton, gauge, crutches and various types of anatomical, orthopadic or surgical instruments, implets or stores and books, journals and publications and all sorts of storage or packing material connected with or required for any or more of the above mentioned items and products. To establish, undertake, facilitate and carry on experiments, tests and trials in the field of molecular, cellular and clinical research and technology; to own, set up, establish, maintain, acquire, lease, manage, facilitate and/ or operate molecular, cellular and clinical research and biological laboratories and centres to provide all or any types of research, diagnostic and medical services; and further to establish, maintain, provide, conduct, promote and/ or otherwise subsidize schools, colleges, research laboratories and experimental workshops for conduct of scientific and technical research and experiments.

12. To own, set up, establish, acquire and/ or operate institutions for undertaking research in any field, including but not limited to medicine, surgery and biotechnology; conducting training and continuing education programmes for research in medical and allied areas; offering consulting services in management of research facilities and allied matters; and to develop, promote, design, promulgate, establish, advertise, publish, acquire, procure, obtain, produce, hold, own, register or otherwise deal with all kinds of intellectual property and to franchise, license, assign or otherwise grant any interest whatsoever in such intellectual property to other Indian and foreign research institutions, hospitals, medical institutions, health care institutions, universities, educational institutions, corporations, trusts, firms, societies, associations, agencies, individuals, organizations, departments, divisions, commissions, boards, authorities or other entities whatsoever, and to provide all kinds and varieties of services.

13. To provide all or any types, descriptions, classifications, kinds, forms and varieties of services, including but not limited to services relating to molecular, cellular and clinical research and development, management services, consultancy services, advisory services, financial services, administrative services, human resource related services, information technology services, communications services, information technology enabled services, technical services, marketing services, advertising services, services relating to sales, distribution services, contractual services, support services, import services, export services, business services, technological

services, development services, organizational services, engineering services, maintenance services, training services, education services, information services, health services, systems services, software services, knowledge based services, planning services, and/or research services, and all or any types, descriptions, classifications, kinds, forms and varieties of support and/or solutions, to all or any forms, types, descriptions and varieties of corporations, trusts, firms, societies, associations, agencies, individuals, organisations, departments, divisions, commissions, boards, authorities and/ or other entities whatsoever.

IV. The liability of the Members of the company is limited.

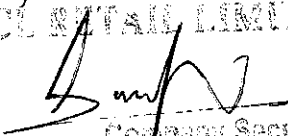
V. \* The Authorised Share Capital of the Company is Rs.13,00,00,000/- (Rupees Thirteen Crores Only) consisting of 1,30,00,000 (One Crore Thirty Lakhs) Equity Shares of Rs.10/- (Rupees ten only) each with power to increase or reduce its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, and privileges as may be determined in accordance with the provisions of the Companies Act, 1956.

\* The Authorised Capital of the company has been increased from Rs.12,50,00,000/- to Rs.13,00,00,000/- vide ordinary resolution passed in the AGM held on 13.09.2012.

VI. We, the several persons whose names and address are subscribed are desirous of being form into a company in pursuance of this Memorandum of Association and we respectively agrees to take the number of shares in the Capital of the Company set opposite to our respective names.

Sl.No	Signature, Name, Address, Description and occupation of the subscribers	No. of Equity shares taken by each Subscriber	Signatures, name, address, designation and occupation of the witness
1	SD/- MR. RATAN CHAND LODHA S/o. Mr. RAJMAL LODHA 6/C-2, Ritherdon Avenue, Ritherdon Road, Vepery Chennai Tamil Nadu India 600007 OCCUPATION: BUSINESS	10,000 (Ten Thousand Only)	ALL THE SUBSCRIBERS SIGNED BEFORE ME.  SD/-  NAME: BALU SRIDHAR OCCUPATION: PRACTICING COMPANY SECRETARY ADDRESS: NO.2, RAJA ANNAMALAI ROAD, CHENNAI - 600 084.  C.P. 3550
2	SD/- MR. NITESH LODHA RATANCHAND S/o. RATAN CHAND LODHA 6/C-2, Ritherdon Avenue, Ritherdon Road, Vepery Chennai Tamil Nadu India 600007 OCCUPATION: BUSINESS	10,000 (Ten Thousand Only)	
3	SD/- MR. SHREYANS LODHA RATANCHAND S/o. RATAN CHAND LODHA 6/C-2, Ritherdon Avenue, Ritherdon Road, Vepery Chennai Tamil Nadu India 600007 OCCUPATION: BUSINESS	10,000 (Ten Thousand Only)	
	<b>TOTAL</b>	<b>30,000 (Thirty Thousand)</b>	

PLACE: Chennai  
DATE: 17.09.2010

*certified true copy*  
For NCL RETAIL LIMITED  
  
Company Secretary

INCORPORATED UNDER THE COMPANIES ACT, 1956  
(1 OF 1956)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SHANTI GURU INDUSTRIES LIMITED @

1. Table A not to apply      The regulations contained in Table A, Schedule, to the Companies Act, 1956, shall not apply to the company except so far as the same are reproduced or contained in or expressly made applicable by these Articles or the Act. The regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the Company's power to modify, alter or add to its regulations, be such as are contained in these articles.
2. Definitions                In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject matter or content thereof.

#### INTERPRETATION

1. In the interpretation of these Articles, unless repugnant to the subject or context:-
  - “The Company” or “This Company”  
“The Company” or “This Company” means the above named Company.
  - “The Act”  
“The Act” means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.
  - “These Articles”  
“These Articles” means Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.
  - “Alter”  
“Alter” and Alteration shall include the making of addition and deletions.
  - “Annual General Meeting”  
“Annual General Meeting” means a General Meeting of the members held in accordance with Section 166 of the Act.
  - “Auditors”  
“Auditors” means and includes those persons appointed as such for the time being by the Company.
  - “Beneficial Owner”  
“Beneficial Owner” shall have the meaning assigned thereto by Section 2 (J)(a) of the Depositories Act, 1996.

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@ RCL RETAIL LIMITED name has been changed to SHANTI GURU INDUSTRIES LIMITED vide special resolution passed in the Extraordinary General Meeting held on 7<sup>th</sup> October, 2022.



**"Board"**

"Board" of Board of Directors means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board Meeting collectively or acting by circular resolution.

**"Capital"**

"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

**"Debenture"**

"Debenture" includes debenture - stock.

**"Depository"**

"Depository" shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.

**"Depositories Act 1996"**

"Depositories Act 1996" shall mean Depositories Act 1996, and include any Statutory modification or re-enactment thereof for the time being in force.

**"Directors"**

"Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board collectively or acting by circular resolution.

**"Dividend"**

"Dividend" includes Bonus.

**"Extra ordinary General Meeting"**

"Extra ordinary General Meeting" means an Extra ordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.

**"Gender"**

Words importing the masculine gender also include the feminine gender.

**"In Writing and Written"**

"In Writing and Written" include printing, lithography and other modes of representing or reproducing words in a visible form.

**"Legal Representative"**

"Legal Representative" means a person who in law represents the estate of a deceased or incompetent member.

**"Meeting" or "General Meeting"**

"Meeting" or "General Meeting" means a meeting of the members.

**"Member"**

"Member" means the duly registered holder from time to time of the Shares of the Company of any class and includes the subscriber(s) of the Memorandum of the Company and every person whose name is entered as the beneficial owner of any share in the records of Depository, but does not include the bearer of a share warrant of the Company, if any, issued in pursuance of Articles of Association of the Company.

**"Month"**

"Month" means the calendar month.

“Office”

“Office” means the Registered Office for the time being of the Company.

“Ordinary Resolution and Special Resolution”

“Ordinary Resolution and Special Resolution” shall have the meanings assigned to it by Section 189 of the Act.

“Paid up”

“Paid up” includes credited as paid up.

“Persons”

“Persons” include corporations and firms as well as individuals.

“Promoters”

“Promoters” means -

“The Registrar”

“The Registrar” means the Registrar of Companies of the State in which the office of the Company is for the time being situated.

“Seal”

“Seal” means the Common Seal for the time being of the Company.

“Secretary”

“Secretary” means of Company Secretary within the meaning of Clause C of Sub-Section (1) of Section 2 of the Company Secretaries Act, 1980 (56 of 1980) and include any other individual possessing prescribed qualification and appointed to perform the duties of which may be performed by a Secretary under this Act and any ministerial and administrative duties.

“Securities & Exchange Board of India”

“Securities & Exchange Board of India” or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

“Security”

“Security” means such security as may be specified by SEBI from time to time.

“Share”

“Share” means a share in the share capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

“Singular number”

Words importing the “Singular number” include, where the context admits or requires, the plural number and vice versa.

“Year and Financial Year”

“Year” means the Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(17) of the Act.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles. The marginal notes used in these Articles shall not affect the construction thereof.

#### PRELIMINARY

Copy of Memorandum and Articles to be given to members.

To Company shall, on being so required by a member, send to him within seven days of the requirement and subject to the payment of a fee of one rupee a copy of each of the documents referred to in Section 39 of the Act.

## **CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

### **CAPITAL**

2. The Authorised Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.

### **INCREASE OF CAPITAL BY THE COMPANY AND HOW CARRIED INTO EFFECT**

3. The Company in General Meeting may by Ordinary Resolution, from time to time increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increase capital shall be issued upon such terms and conditions and with such rights and privileges attached thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with section 87 and 88 of the Act, whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
4. The shares in the capital shall be distinguished by its appropriate number, provided that nothing in this section shall apply to the shares held with a depository.

### **SHARES AT THE DISPOSAL OF THE DIRECTORS**

5. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in proportion and on such terms and conditions and either at a premium or at par of (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. 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.

### **POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES**

6. In addition to and without derogating from the powers for the purpose conferred on the Board under Article 5 & 8 the Company in General Meeting may subject to the Provisions of Section 81 of the Act, determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to

call for or be allotted any class of shares of the Company either at a premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.

#### INCREASE OF CAPITAL

7. The Company in General Meeting may from time to time increase its share capital by the creation of further shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Board shall determine.

#### FURTHER ISSUE OF SHARES

8. 1. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

- a. Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
- c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

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

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

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

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

3. Nothing in sub-clause © of (1) hereof shall be deemed:

- a. To extend the time within which the Offer should be accepted; or
- b. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made had declined to take the shares comprised in the renunciation.

Nothing in the Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

- 1. To convert such debentures or loans into shares in the Company; or
- 2. To subscribe for shares in the Company whether such options is conferred in these Articles or otherwise.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;

- a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or in conformity with the rules, if any, made by that Government in this behalf;
- b. In the case of debentures or loans or other than debentures issued or loans obtained from Government or any Institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of debentures or raising of the loans.

#### **POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES**

- 8A. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

#### **POWER OF GENERAL MEETING TO AUTHORISE BOARD TO OFFER SHARES/OPTIONS TO EMPLOYEES**

- 8B. Without prejudice to the generality of the powers of the General Meeting under Article 8A or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted / granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/Other writing, as may be set out before it, for the aforesaid purpose.

In addition to the powers contained in this Article, the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary

or expedient to achieve the objectives of any Scheme / Plan / other writing approved under the aforesaid Article.

#### APPLICATION OF PREMIUM RECEIVED ON SHARES

- 8C. 1. Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.
2. The security premium account may, notwithstanding anything in clause (f) thereof be applied by the Company.
- a. in paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;
  - b. In writing off the preliminary expenses of the Company;
  - c. in writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company; or
  - d. in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

#### POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES

- 8D. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.
- (ii) In addition to the powers of the Board under Article 8D(i), the Board may also allot the Shares referred to in Article 8D(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees (including by way of options, as referred to in Article 8D(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit. The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 8D(i) and (ii) above.

#### REDEEMABLE PREFERENCE SHARES

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

#### PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES

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

- a. No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
- b. No such shares shall be redeemed unless they are fully paid.
- c. The premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company's share Premium Account, before the shares are redeemed; and
- d. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called Capital Redemption Reserve Account, a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Act relating to the reduction of the share capital of a Company shall, except as provided under Section of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

#### NEW CAPITAL SAME AS ORIGINAL CAPITAL

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

#### RESTRICTION OF PURPOSE BUY COMPANY OF ITS OWN SHARES

12. (1). The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanction in accordance with Article 13 and in accordance with Sections 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

This Article is not to delegate any power which the Company would have if it were omitted.

- (2). Except to the context permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise any financial assistance for the purchase of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.

- (3). Nothing in this Article shall affect the right of the Company to redeem any redeemable preference shares issued under these Articles or under Section 80 or other relevant provisions (if any) of the Act.

- 12A. Notwithstanding anything contained in these Articles and in accordance with the provisions of the Sections 77A, 77AA and 77B of the Companies Act, 1956 the Company may, when and if thought fit by the Board of Directors, buy back, acquire or hold its own shares or other specified securities (as may be notified by the Central Government from time to time under section 77A of the Act) whether or not they are redeemable and on such terms and conditions and up to such limits as may be prescribed by law from time to time provided that nothing herein contained shall be deemed to affect the provisions of section 100 to 104 and 402 of the Act, in so far as and to the extent they are applicable.

#### REDUCTION OF CAPITAL

13. The Company may, subject to the provisions of Section 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time

being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

#### CONSOLIDATION AND DIVISION OF CAPITAL

14. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:
  - a. Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.
  - b. Sub-divide its shares or any of them into shares of smaller amount so however that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.
  - c. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, a cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

#### SALE OF FRACTIONAL SHARES

15. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person the transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

#### MODIFICATION OF RIGHTS

16. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be varied, modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourth in nominal value of the issued shares of the class or is confirmed by a resolution passed by the votes of not less than three-fourth of the votes of the holders of the shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles to its general meetings shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power, the Company would have if this Article were omitted.

#### ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

17. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

#### NO ISSUE WITH DISPROPORTIONATE RIGHTS

18. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).



18A. a. "Power to Company to dematerialize and rematerialize"

"Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any"

b. Dematerialization of Securities

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

c. "Intimation to Depository"

"Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities"

d. "Option for Investors"

"Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities."

e.. "The Company the recognize under Depositories Act, Interest in the Securities other than that of Registered holder."

"The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996."

e. "Securities in Depositories and Beneficial Owners"

"All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners."

g. "Rights of depositories and Beneficial Owners."

a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

b. Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

c. Every person holding securities of the Company and whose name if entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository."

h. Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

## SHARES AND CERTIFICATES

### 19. "REGISTER AND INDEX OF MEMBERS"

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

### 20. SHARES TO BE NUMBERED PROGRESSIVELY

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

### 21. DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

### 22. APPLICATION OF PREMIUM

1. Where the Company issue shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account to be called Share Premium Account and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this clause, apply as if the share premium account were paid up share capital of the Company.

2. The share premium account may, notwithstanding sub-clause (1) hereof, be applied by the Company;

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

b. in writing off the preliminary expenses of the Company;

c. in writing off the expenses of or the commission paid or discount allowed on any issue of shares or debenture of the Company or

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

### 23. INSTALLMENTS OF SHARES

if by the terms of issue of any shares or otherwise, the whole or any part of the amount or issue price thereof shall be payable by installments at a fixed time, every such installments shall when due, be paid to the Company by the person who, for the time being and from time to time, is the registered holder of the shares of his legal representatives.

### 24. ACCEPTANCE OF SHARES

Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares

within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

#### **25. DEPOSITS AND CALLS TO BE DEBT PAYABLE IMMEDIATELY**

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

#### **26. LIABILITY OF MEMBERS**

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

#### **27. LIMITATION OF TIME FOR ISSUE OF CERTIFICATE**

The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

#### **28A. LIMITATION OF TIME FOR ISSUE OF CERTIFICATES**

Every members shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

#### **28B. ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED**

If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

#### **29. JOINT ALLOTTEES OF HOLDERS**

Any two or more joint allottees or holders of shares shall, for the purpose of Article-28, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

### **30. RENEWAL OF SHARES CERTIFICATES**

A certificate of share may be renewed or a duplicate issued in accordance with the provisions of the Act and the Companies (Issue or Share Certificates) Rules, 1960 and any modification thereof.

### **31. THE FIRST NAMED OF JOINT HOLDERS DEEMED SOLE HOLDER**

If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to these Articles.

### **32. COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER**

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

2. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

### **33. WHO MAY HOLD SHARES**

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind or in the name of any firm or partnership.

33A. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

### **33B. SWEAT EQUITY**

Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

### **33 C. DECLARATIONS BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARES**

1. Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be

prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.

2. A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.

3. Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.

4. Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Register with regard to such declaration.

### **33D. FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY**

No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

### **33E. ISSUE OF SHARES WITHOUT VOTING RIGHTS**

In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

### **33F. SECTIONS 83 AND 108 OF THE ACT NOT TO APPLY**

Notwithstanding anything to the contrary contained in the Articles,

1. Section 83 of the Act shall not apply to the Shares held with a Depository;
2. Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

### **33G. LIABILITY OF MEMEBRS**

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

### **33H. TRUST RECOGNIZED**

A. Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

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

## **UNDERWRITING AND BROKERAGE**

**34. COMMISSION MAY BE PAID**

The Company may, subject to the provisions of Section 76 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other.

**35. BROKERAGE MAY BE PAID**

The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

**35A. COMMISSION TO BE INCLUDED IN THE ANNUAL RETURN**

Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

**36. INTEREST OUT OF CAPITAL**

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

**CALLS**

**37. DIRECTORS MAY MAKE CALLS**

The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

**38. CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS**

Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

**39. NOTICE OF CALLS**

One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that the Board may, at its discretion, revoke the call or postpone it.

**40. CALLS TO DATE FROM RESOLUTION**

A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

**41. DIRECTORS MAY EXTEND TIME**

The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

#### **42. CALL TO CARRY INTEREST AFTER DUE DATE**

If any member fails to pay a 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 of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

#### **43. PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES**

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

#### **44. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST**

The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied 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 member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until he same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

### **FORFEITURE, SURRENDER AND LIEN**

#### **45. IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN**

If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission 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.

#### **46. FORM OF NOTICE**

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

#### **47. IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED**

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

#### **48. NOTICE OF FORFEITURE**

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 of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

#### **49. FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY**

Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

#### **50. POWER TO ANNUAL FORFEITURE**

The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annual the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

#### **51. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

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

#### **52. EFFECT OF FORFEITURE**

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 the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

#### **53. PROCEEDS HOW TO BE APPLIED**

The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

#### **54A. DECLARATION OF FORFEITURE**

a. A duly verified declaration in writing that the declarant is a Director, the Managing Director of the Manager of the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

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

c. The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.

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

e. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

54B. The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

#### **55. TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES**

The Company may received the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be



registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

#### **56. PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE**

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

#### **57. THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM**

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

#### **58. BOARD MAY ACCEPT SURRENDER OF SHARES**

The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

#### **59. COMPANY'S LIEN ON SHARE/DEBENTURES**

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

#### **60. ENFORCING LIEN BY SALE**

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for seven days after the date of such notice.

#### **61. APPLICATION OF PROCEEDS OF SALE**

The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

#### **62. VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE**

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of 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 of members 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 in damages only and against the Company exclusively.

#### **63. BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES**

Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

#### **64. MONEY DUE FROM THE COMPANY MAY BE SET OFF AGAINST MONEY DUE TO THE COMPANY**

Any money due from the Company to a member may without the consent and notwithstanding the objection of such member, be applied by the Company in or towards the payment of any money due from him to the Company for calls or otherwise.

#### **64A. SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL**

For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

### **TRANSFER AND TRANSMISSION OF SHARES**

#### **65. REGISTER OF TRANSFER**

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

#### **66. EXECUTION OF TRANSFER**

Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

#### **67. INSTRUMENT OF TRANSFER**

The instrument of transfer shall be in writing and all the provisions of section 108 of the Act and any statutory modification thereof, for the time being, shall be duly complied with in respect of all transfers of shares and of the registration thereof.

**67A. (i)** Every holder of the share(s) in, and / or debenture(s) of the Company, may at any time nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.

**(ii)** Where the share(s) in, and/or debenture(s) of the Company, are held by more than one person jointly, all the joint-holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.

**(iii)** Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture-holders concerned or on the death of all the joint-holders, as the case may be, become entitled to all the rights in relation to such share(s)

in and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

(iv) Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of the Company, in the event of his death, during the minority.

(v) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 67A, upon the production of such evidence as may be required by the Board and subject as herein after provided, may elect either;

a. to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or

b. to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debenture-holder, as the case may be, could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s) himself, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder and/or debenture-holder, as the case may be.

(vi) All the limitations, restrictions and provisions of the Act, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder and/or debenture-holder as the case may be.

(vii) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that, the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

#### **68. NO TRANSFER TO A PERSON OF UNSOUND MIND**

No transfer shall be made to a minor or a person of unsound mind.

#### **69. TRANSFER OF SHARES**

1. An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.

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

3. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

#### **4. DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

Subject to the Provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

5. if the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of

transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.

6. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

**7. NO FEE ON TRANSFER OR TRANSMISSION**

No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

**70. TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN**

Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

**71. WHEN TRANSFER TO BE RETAINED**

All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than six years as it may determine.

**72. TRANSFER BOOKS WHEN ENCLOSED**

The Board may after giving not less than seven days previous notice by advertisement as required by Section 154 of the Act, close the Register or Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate, 45(forty five) days in each year but not exceeding 30 days at any one time.

**73. DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES**

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

**74. TITLE TO SHARES OF DECEASED HOLDER**

Subject to Article 74 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained letters of administration or succession certificate.

**75. TRANSMISSION OF SHARE**

Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share 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 to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

**76. BOARD MAY REFUSE TO TRANSMIT**

The Board shall, subject to the provisions of Article 68 hereof, have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

**77. BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION**

Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to

register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

#### **78. TRANSFER BY LEGAL REPRESENTATION**

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

#### **79. CERTIFICATE OF TRANSFER**

The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures.

#### **80. THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER**

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### **A. NOMINATION**

(i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.

(ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the act.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares of debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be , all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

#### **"OPTION OF NOMINEE**

i. A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be

(ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

#### **80B. TRUST NOT RECOGNISED**

Save as herein otherwise provided, the Company shall be entitled to treat the person whose names) appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

#### **80C. TRANSFER OF SECURITIES**

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

#### **80D. NOTICE OF APPLICATION WHEN TO BE GIVEN**

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

#### **80E. REFUSAL TO REGISTER NOMINEE**

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

#### **80F. PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER**

A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

### **JOINT HOLDERS**

#### **81. BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS**

Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

#### **82. JOINT HOLDERS**

Where more than one person is registered as the holder of any share, the person first named in the Register of Members as one of the joint holders of a share shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in these articles;

#### **JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES**

a. The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

#### **TITLE OF SURVIVORS**

b. On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

#### **EFFECTUAL RECEIPTS**

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

#### **DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER**

d. Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 28 from the Company and document served on or sent to such person shall be deemed service on all the joint holders).

#### **VOTES OF JOINT HOLDERS**

e. Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of deceased members in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.

#### **SHARE WARRANTS**

##### **82A.**

(i) **Power to issue Share Warrants.**

The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

(ii) **Deposit of Share Warrants.**

(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.

(b) Not more than one person shall be recognized as depositor of the Share warrant

(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

(iii) Privileges and Disabilities of the holders of Share Warrants.

(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

(iv) issue of New Share Warrants Coupons

The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), and a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

### CONVERSION OF SHARES INTO STOCK

Shares may be converted into stock

83. The Board may, with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

Rights of Stock-holders

84. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

### MEETING OF MEMBERS

85. (a) Subject to Section 166 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, subject however to the right of the Registrar, under the Act, to extend the time within which any Annual General Meeting may be held.

(b) Every Annual General Meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

86. The Company shall in accordance with Section 159 of the Act, within 60 day from the day on which the Annual General Meeting is held, prepare and file with the Registrar a return in the form set out in part ii of Schedule V to the Act or as near thereto as the circumstance shall admit and containing the particulars specified in part i of the said Schedule V together with three copies of the Balance Sheet and the Profit and Loss Account laid before the Annual General Meeting in accordance with Section 220 of the Act.

Distinction between Annual General Meeting and Extra-ordinary General Meeting



87. The General Meeting referred to in Article 86 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

#### Calling of Extra-ordinary General Meeting

88. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an Extra-Ordinary General Meeting of the Company and in the case of such requisition, the provision of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

#### Length of notice for calling meeting

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

(2) A General Meeting may be called after giving shorter notice than the specified in sub-clause (1) hereof, if consent is accorded thereof.

- (i) in the case of an Annual General Meeting, by all the members entitled to vote thereat: and
- (ii) in the case of any other meeting, by members of the Company holding not less than ninety five per cent of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

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

#### Contents and manner of services of notices and person on whom it is to be served

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

(2) Notice of every meeting of the Company shall be given:

- (i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act.
- (ii) 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 them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description at the address if any, in India supplied for the purpose by the persons claiming to so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred: and
- (iii) To the auditor or auditors for the time being of the Company in any manner authorised by Section 53 of the Act, in the case of any member of members of the Company.
- (iv) PROVIDED that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of section 53 of the Act, the statement of material facts referred to in Section 173 of the Act, need not be annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

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

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

#### Special business

91. All business to be transacted at an Annual General Meeting with the exception of businesses relation to (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors, (ii) the declaration of the dividend, (iii) the appointment of Directors in place of those retiring and (iv) the appointment of and the remuneration of Auditors and all business to be transacted at any other meetings of the Company shall be deemed Special.

**Explanatory Statement to be annexed to notice**

92. Where any items of business to be transacted at any meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of meeting an explanatory statement setting out all material facts concerning each item of business including in particular the nature and extend of the interest, if any, therein, of every Director and of the Manager and specifying where any item of business consists of the according of approval to any document by the meeting, the time and place, where the document can be inspected.

PROVIDED that where any such item of special business at the meeting of the Company related to or affects any other company, the extent of shareholding interest in that other company of every Director of the Company, shall also be set out in the statement, if the extent of such shareholding interest is not less than 20 per cent of the paid up share capital of that other company.

**Meeting not competent to discuss or transact any business not mentioned in notice**

93. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

**Quorum**

94. Five members entitled to vote and present in person shall be a quorum for a General Meeting. When more than one of the joint holders of a share is present not more than one of them shall be counted for determining the quorum. Several executors of administrators of a deceased person in whose sole name a share stands shall, for the purpose of this Article, be deemed joint holders thereof. A body corporate 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 the Governor of a State being member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.

**Presence of quorum**

95. No business shall be transacted at any General Meeting unless the requisite quorum shall be present at the commencement of the business.

**If Quorum not present, meeting to be dissolved and when to be adjourned**

96. If within half an hour from the time appointed for holding the meeting a quorum is not present, the meeting, if called upon the requisition of members shall stand dissolved but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or if that day is a public holiday, or to such other day, time and place as the Board may determine.

97. If at the adjourned meeting, a quorum is not present within 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.

**Resolution passed at adjourned meeting**

98. Where a resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

**Power of adjourn General Meeting**

99. (1) The Chairman of the General Meeting may adjourn the same from time to time and from place to place, but not business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

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

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

#### **Chairman of General Meeting**

100. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

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

101. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

#### **Resolution must be proposed and seconded**

102. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

#### **Postal Ballot**

102A The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

#### **How question to be decided at meetings**

103. At any General Meeting, a resolution put to the vote of the meeting, shall be, decided on a show of hands unless the poll is demanded as provided in these Articles.

#### **Declaration of Chairman to be conclusive**

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

#### **Demand for poll**

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

- by any member or members present in person or by proxy and holding shares in the Company:
  - i. which confer a power to vote on the resolution not being less than one-tenth to the total voting power in respect of the resolution or
  - ii. on which an aggregate sum of not less than fifty thousand has been paid up.
- (2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

#### **Time of taking Poll**

106. Any poll duly demanded on the question of adjournment shall be taken forthwith, a poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time when the demand was made; as the Chairman of the meeting may direct.

#### Scrutineers at Poll

107. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him, the Chairman shall have power, at any time, before the result of the poll is declared to remove a scrutineer from office and to fill vacancies of the office of scrutineer arising from such removal or from any other cause of the two scrutineers so to be appointed, one 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 is willing to be appointed.

#### Business may proceed notwithstanding demand for Poll

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

#### Chairman's casting vote

109. In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

#### Manner of taking poll and result thereof

110. (a) Subject to the provisions of the Act the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

#### 110A. Requisitionists' meeting

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

(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.

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

(2) The number of Members necessary for a requisition under clause (1) hereof shall be (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.

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

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

(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.

(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.

(ii) the case of any other requisition, not less than two weeks before the Meeting, and

(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.

PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.

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

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

#### **110B. Extra-ordinary General Meeting by Board and by Requisition.**

(a) The Directors may whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.

(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

#### **110C. Contents of requisition, and number of requisitionists required and the conduct of Meeting**

(1) In case of requisition the following provisions shall have effect:

(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

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

(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.

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

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

(i) By the requisitionists themselves; or

(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (1) whichever is less, PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:

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

(b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly

commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.

(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.

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

## VOTES OF MEMBERS

### Votes may be given by proxy or attorney

111. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 187 of the Act and Article 113.

### Votes of members

112. Subject to the provision of the Act and these Articles, every member not disqualified by Article 116 shall be entitled to be present in person and holding any equity share capital therein, shall have one vote and upon a poll the voting right of every such member present in person or by proxy shall be in proportion to his share of paid up equity share capital of the Company.

Provided, however, if any preference share holder be present at any meeting of the Company, save as provided in Clause (b) of sub-section (2) of Section 84 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

### Right of member to use his votes differently

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

### Representation of Body Corporate

114. A body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of creditors of the Company.

### Restriction on exercise of voting right by members who have not paid calls

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

### No voting by proxy on show of hands

116. No member not personally present shall be entitled to vote on a show of hands, unless such member is a body corporate present by a representative duly authorized, under Section 187 of the Act in which case such representative may vote on a show of hands as if he were a member of the Company. A proxy who is present at a meeting shall not be entitled to address the meeting.

### How member non-compos mentis and minor may vote

117. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

### Instrument of proxy

118. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

**Instrument of proxy to be deposited at office**

119. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

**When vote by proxy valid though authority revoked**

120. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjournment meeting at which the proxy is used.

**Form of proxy**

121. Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in Schedule IX of the Act.

**Time for objection to vote**

122. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

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

123. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

**123A. Votes of Members of unsound mind**

A Member of unsound mind, or in respect of whom 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.

**123B. Member paying money in advance not be entitled to vote in respect thereof.**

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

**DIRECTORS**

124. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three nor more than twelve.

**Increase in number of Directors to require Government sanction**

125. The Company shall not increase the number of its Directors beyond the maximum fixed by these Articles.

**Power of Directors to appoint additional Directors and to fill casual vacancies**

126. Subject to the provision of Sections 260, 263, 264 and 284 (6) of the Act and subject to these Articles, the Directors shall have power at any time and from time to time to appoint any other person as a Director either to fill casual vacancy or as an addition to the Board but so that the total number of

Directors shall not any time exceed the maximum number fixed. Any additional Director so appointed shall hold the office upto the next Annual General Meeting.

#### Nominee Directors

127. Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution or any person or persons (hereinafter referred to as the appointer) for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company or business takeover agreements, the Board shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have, if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement or contract and that such Directors may not be liable to retire by rotation nor be require to hold any qualification shares. The Board may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the other Directors of the Company including payment of remuneration and traveling expenses to such Director or Directors, as may be agreed by the Company with the appointer. The Company may provide by an agreement specific right to nominee Directors for insisting their concurrence to any of the decision of the Board and if no consent from the nominee Directors is received such a decision of Board would not be taken or if taken shall not be binding to Company, as if not validly taken.

#### Debenture Directors

128. If it is provided by the trust deed securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

#### Qualification of Directors

129. A Director need not hold any qualification shares.

#### Remuneration of Directors

130. (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment not a Managing Director may be paid remuneration.

- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or
- (ii) by way of commission if the Company by a special resolution authorises such payments.

(3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 1956 and rules, if any, framed there under.

(4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special



exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

**Travelling Expenses incurred by a Director not a bonafide resident or by Director going out on Company's Business**

131. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

**Directors may act notwithstanding any vacancy**

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

**Disclosure of interest of Directors**

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

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

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

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

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

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

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

**Interested Director not to participate or vote on Board's proceedings**

134. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

**Board's sanction to be required for certain contracts in which particular Director is interested**  
135. A Director of the Company or his relative, a firm in which such Director or relative is partner, any other partner in such firm or a private company of which the Director is a member of Director shall not enter into any contract with the Company, except to the extent and subject to the provisions of Section 297 of the Act.

**135A. Special Director**

In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.

**135B. Alternate Director**

The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as an when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.

**135C. Limit on number of retaining Directors**

The provisions of Articles 146, 147, 148 and 149 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 147 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

**135D. Directors' sitting fees**

The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be Prescribed by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid Such higher fees as the Company in General Meeting shall from time to time Determine.

**135E. Directors and Managing Director may contract with Company**

Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or

from contracting with the Company either as vendor, purchaser, lender, agent, broker, Lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only Of such director holding that office or of the fiduciary relation thereby Established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

#### **135F. Disqualification of the Director**

A person shall not be capable of being appointed Director of the Company if:-

- (b) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudged an insolvent and his application is pending;
- (d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five months and a period of five years has not elapsed form the date of expiry of the sentences;
- (e) he has not paid any call in respect of shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or
- (f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

#### **135G. Director may be director of companies promoted by the Company**

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

#### **135H. Appointment of Sole Selling Agents**

- a) The appointment, re-appointment and extension of the sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the act and any rules or Notifications issued by the competent authority in accordance with that section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or Section and such rules or notifications, if any, as may be applicable.
- b) The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.

### **RETIREMENT AND ROTATION OF DIRECTORS**

#### **Retirement of Directors by rotation**

136. (1) At every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number to one third shall retire from office. The Debenture Directors and Nominee Directors, if any, shall not be subject to retirement under clause and shall not be taken into account in determining the retirement by rotation or the number of Directors to retire.

(2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the

same day those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot.

(3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director who shall be eligible for reappointment or some other person thereto.

(4) If the place of the retiring Director is not 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 is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless.

- (i) at the meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the vote and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for;
- (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any of the provisions of the Act.

#### Appointment of Director to be vote individually

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

(2) A resolution moved in contravention of clause (1) shall be void whether or not objection was taken at the time of its being so moved; provided that where a resolution so moved is passed, no provision for the automatic re-appointment shall apply.

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

138. (1) A person who is not a retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, "along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.

(2) The Company shall inform its member of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual 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 notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the Gujarati language.

(3) Every person proposed as a Candidate for the office of Director shall sign and file with the Company his consent to act as a Director.

#### Resignation of Director

139. A Director may at any time give notice in writing of his intention to resign by addressing it to the Board of Directors of the Company and delivering such notice to the Secretary or leaving the same at the Registered Office of the Company and thereupon his office shall be vacated.

**Register of Directors and notification of changes to registrar**

140. The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary containing the particulars as required by Section 303 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager and Secretary or any of the particulars contained in the register as required by Section 303 of the Act.

**140A. Appointment of Technical or Executive Directors**

a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.

b) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

**REMOVAL OF DIRECTORS**

**Removal of Directors**

141. (1) The Company may, by ordinary resolution, remove a Director not being a Nominee Director appointed under Article 128 or a Debenture Director appointed under Article 129 and not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of this period of office.

(2) Special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a Director under this Article the Company shall forthwith send a copy thereof to the Director concerned and the Director shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and request its notification to members of the Company and shall unless the representations are received by it too late for it to do so.

(a) in any notice of resolution given to the members of the Company, state the fact of the representations having been made; and

(b) send a copy of the representation to every member of the Company to who notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be readout at the meeting' provided that copies of the representation need not be sent out and the representation need not be read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, a court of competent jurisdiction is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board under Article 127 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the

intended appointment has been given. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(6) if the vacancy is not filled up under the clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable to Article 127 hereof and all the provisions of that Article, shall apply accordingly. Provided that the Director who is removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(7) Nothing in this Article shall be taken:

- (a) as depriving a person removed there under of any compensation or damages payable to him in respect of any appointment terminating with that as Director; or
- (b) as derogating from any power to remove a Director which may exist apart from this Article.

Eligibility for re-election.

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

#### PROCEEDINGS OF DIRECTORS

Proceeding of Directors

143. (a) The Board of Directors may meet together for the dispatch of business, adjourn or otherwise regulate its meetings and proceedings as it may think fit.

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

(c) The Chairman, if any, of the Board of Directors may at any time and the Managing Director, if any or the Secretary on the requisition of a Director shall summon a meeting of the Board.

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

Quorum

144. (a) Subject to the provisions of Section 287 of the Act, the quorum for a meeting of the Board shall be one third of the total strength of the Board (any fraction contained in the one-third being rounded off as one) or two Directors whichever is higher, provided that where at any meeting the number of interested Directors exceed or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested and are present at the meeting, being not less than two, shall be quorum during such time.

(b) for the purpose of clause (a) -

(i) Total Strength means that total strength of the Board of Directors of the Company as determined in pursuance of the Act, after deducing there from the number of Directors, if any, whose places may be vacant at the time; and

(ii) Interested Director means any Director whose presence cannot by reason of Article 137 hereof or any other provision in the Act, count for the purpose of forming a quorum at a meeting of the Board at the time of discussion or vote on any matter.

Decision of Questions

145. Subject to the provisions of Section 316, 372, 386 of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

Board may appoint Chairman, Co-Chairman and Vice Chairman

146. The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-

Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within ten minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

#### **Power of Board Meeting**

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

148. Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

#### **Meeting of the Committee how to be Governed**

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

#### **Act of Board or Committee valid notwithstanding defective Appointment**

150. 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 Directors or Committee or person acting as aforesaid or that they or any of them were or was disqualified or had vacated office or that the appointment or any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by Director after his appointment has been shown to the Company to be invalid or to have terminated.

151. (1) No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless 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, than in India (not being less in number than the quorum fixed for a meeting of the Board or a Committee thereof as the case may be) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution.

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

#### **General powers of the Board**

152. (1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do.

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

Provided further than exercising any power or doing any such act or thing, the Board shall be subject to provisions contained in this behalf in act or in any other act or in the Memorandum of Association or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

(2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

**152A. Certain powers to be exercised by the Board only at Meetings.**

(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;

- (a) the power to make calls, on shareholders in respect of money unpaid on their Shares,
- (b) the power to issue Debentures,
- (c) the power to borrow moneys otherwise than on Debentures,
- (d) the power to invest the funds of the Company, and
- (e) the power to make loans

Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and (e) to the extent specified below:

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

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

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

153. The Board may exercise all such powers of the Company and do all such acts and things as are not by the Act or any other act or by the memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting.

(a) Sell, lease or otherwise dispose off whole or substantially the whole of the undertaking of the company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking.

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

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

(d) Borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the company, and its free reserves that is to say reserves not set apart for any specific purpose as specified in Section 292 of the Act, shall subject to these Articles, be exercised only at meeting of the Board unless the same be delegated to the extent therein stated or



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

**Power to Borrow**

154. Subject to the provisions of Sections 292 and 293 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

**154A.** All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in Article 67A of these Articles shall equally apply to deposit holder(s).

**154B. The payment or repayment of moneys borrowed**

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the 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.

**154C. Bonds, Debentures, etc. to be subject to control of Directors**

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

**Condition on which money may be borrowed**

155. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

**156. Terms of issue of Debentures**

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, 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 the General Meeting by a Special Resolution.

**156A. Debentures with voting rights not be issued.**

- (a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.
- (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
- (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.
- (d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.
- (e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.
- (f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of it debentures or

debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debenture-stock allotted or transferred.

(g) The Company shall comply with the provision of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.

(h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

#### Execution of indemnity

157. 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 Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

#### Certain powers of the Board

158. Without prejudice to the general powers conferred by Articles 155 and the other powers conferred by these Articles and Section 191 of the Act, so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

- 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.
- 2) Subject to Sections 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
- 3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully 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 including its uncalled capital or not so charged.
- 4) To secure the fulfillment of any contracts, agreements or engagements 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 may think fit.
- 5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.
- 6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.
- 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- 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 or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.
- 9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.
- 10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- 11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

- 12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
- 13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.
- 14) Subject to the provisions of Sections 291, 292, 293, 295, 370, 373 and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- 15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- 17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
- 18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
- 19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.
- 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act, and of the provision contained in these presents.
- 21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.

- 22) To redeem redeemable preference shares.
- 23) Subject to Section 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- 24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

### **MANAGING DIRECTORS**

#### **Board may appoint Managing Director or Whole time Director**

159. Subject to the provisions of Sections 267, 268, 269, 309, 310, 311, 316, 317 and other applicable provisions, if any of the Act, the Board of Director may from time to time appoint one or more of their body to be Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company on a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

#### **Remuneration of Managing Directors or whole time Director**

160. The remuneration of a Managing Director or whole time Director shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Sections 198 and 309 of the Act.

#### **Directors may confer power on Managing Director**

161. Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

#### **Managing Director not to exercise certain powers**

162. The Managing Director or Managing Directors shall not exercise the powers to:

- (a) make calls on share holders in respect of money unpaid on the share of the Company
- (b) issue of debentures and
- (c) except delegated by the Board under Section 292 of the Act, invest the funds of the Company or make loans or borrow moneys.

#### **Certain persons not to be appointed as Managing Directors**

163. The Company shall not appoint or employ or continue the employment of any persons as its Managing Director or Whole-time Director who:

- (a) is an undischarged, insolvent or has at 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 composition with them; or
- (c) is or has at any time being, convicted by a Court of an offence involving moral turpitude.

163A. Special to any contract between him and the Company, a Managing or Whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

163B. Prohibition of simultaneous appointment of different categories of managerial personnel

The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-

- a) Managing Director and
- b) Manager.

#### THE SECRETARY

164. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 383A of the Act.

#### The Seal, its Custody and use

165. The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least one Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence.

#### Foreign Seal

166. The Company may, subject to the provisions of Section 50 of the Act, have for use in any territory, district or place not situate in the Union of India, an official seal which shall be a facsimile of the Common Seal of the Company with the addition on its face of the name of the territory, district or place where it is to be used.

#### Provisions applicable to Foreign Seal

167. The following provisions shall apply on the Company having a foreign seal under the preceding Article:

(i) The Company shall, by a document under its Common Seal, authorise any person appointed for the purpose in that territory, district or place, to affix the official seal to any deed or other document to which the Company is a party in that territory, district or place.

(ii) The authority of any agent under the preceding clause shall, as between the Company and any person dealing with the agent, continue during the period if any, mentioned in the document conferring the authority or if no period is herein mentioned, until notice of the revocation or determine of the agent's authority has been given to the person dealing with him.

(iii) The person affixing any such official seal shall certify on the deed or Document to which such a seal is affixed, the date on which and the place at which, such seal affixed.

(iv) A deed or other document to which an official seal is duly affixed shall bind the Company as if it had been sealed with the common seal of the Company.

#### MINUTES

#### Minutes

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

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

(a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the next succeeding meeting.

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

169. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 172 above, shall be evidence of the proceedings recorded therein.

170. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of article 173 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be Valid.

171. (1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday

(2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred to in clause (8) above on payment of Thirty paise for every one hundred words or fractional part thereof required to be copied.

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

(4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.

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

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

(a) the names of the Directors present at the meeting: and

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

(7) Nothing contained in clauses (1) to (6) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:

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

(b) is irrelevant or immaterial to the proceedings or

(c) is detrimental to the interests of the Company.

The Chairman shall exercise and absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

## DIVIDENDS

172. The profits of the Company which it shall from time to time determine, subject to the provisions of Section 205 of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed, preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid upon the equity shares.

### 172A. Division of profits

(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if any so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares.

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

### 172B. Dividend to joint holders

Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

### Amounts paid in advance of calls not to be treated as paid up capital

173. No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of Article 176 as paid up on the share.

### Apportionment of Dividends

174. All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

### Declaration of Dividends

175. The Company in General Meeting may, subject to the provisions of Section 205 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

### Restriction on amount of dividend

176. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

### Dividend out of profits only and not to carry interest

177. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 205 of the Act.

### What is to be deemed net profits

(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

### Interim Dividends

178. The Board of Directors may from time to time pay the members such interim dividends as in its judgment the position of the Company justifies.

### Debts may be deducted

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

### Dividend and call together

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

**Effect of transfer**

181. Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 206A of the Act.

**Retention in certain cases**

182. The Board may retain the dividends payable upon share in respect of which any person is under Article 76 entitled to become a member of whom any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

No member to receive interest or dividend whilst indebted to the Company and Company's right to reimbursement there out

183. No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares 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 shareholder all sums or money so due from him to the Company.

**Payment by post**

184. Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

**Dividend to be paid within Thirty days**

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

- (a) the dividend could not be paid by reason of the operation of any law or
- (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions can not be complied with or
- (c) there is dispute, regarding the right to receive the dividend or
- (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
- (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

**186. Unpaid or Unclaimed Dividend**

Where the Company has declared a dividend but which has not been paid or claimed within 30 from the date of declaration to any shareholder entitled to the payment of dividend, the Company shall, within 7 days of the date from expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "RCL Retail Limited Unpaid Dividend Account" and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed.

Any money transferred to the unpaid dividend account of the Company which remain unpaid or unclaimed for a period of Seven years from the date of such transfer, shall be transferred by the Company to the



Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

#### Capitalisation of reserves

187. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized 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 proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

(1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or

(2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or

(3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and

(2) if the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up in full or any shares then remaining unissued to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.

(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with section 75 of the Companies Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

#### 187A. Set-off of calls against dividends

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

#### 187B. Fractional certificates

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and

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

(2) The Board shall have full power:

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

(b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.

(3) Any agreement made under such authority shall be effective and binding on all such Members.

(4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

#### 187 C. Dividends in Cash.

No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

#### 187D. Board to give effect.

The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

## ACCOUNTS

#### Books of Accounts to be kept

188. The Company shall cause to be kept proper books of account with respect to:

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

(b) all sales and liabilities of the Company; and

(c) the assets and liabilities of the Company.

#### 189. Books where to be kept and inspection

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

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place
  - (b) all sales and purchases of goods by the Company
  - (c) the assets and liabilities of the Company and
  - (d) if so required by the Central Government, such particulars relating to utilization of material or labour or to other items of cost as may be prescribed the Government Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
- (2) Where the Company has a branch office, whether in or outside india, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.

#### **Inspection by members**

190. The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members 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 statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

#### **Statement of Accounts to be laid in General Meeting**

191. The Board of 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 General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

#### **Balance Sheet and Profit and Loss Account to be sent to each member**

192. A copy of Balance Sheet (including the profit and loss account, the auditors report and every other documents required by law to be annexed or attached, as the case may be, to the balance sheet) which is to be laid before a Company in general meeting shall, not less that twenty-one days before the date of the meeting be sent to every member of the Company, to every trustee for the holders of any debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of General Meetings of the Company and to all persons other than such members or trustees, being persons so entitled, provided that this Article shall not require a copy of the documents aforesaid to be sent:

- (a) to a member or holder of debentures of the Company who is not entitled to have notices of General Meeting of the Company to be sent to him and whose address the Company is unaware:
- (b) to more that one of the joint-holders of the any shares or debentures, some of whom are entitled to have such notices sent to them;
- (c) in the case of joint holders of any shares or debentures, some of whom entitled to have such notices sent, to those who are not so entitled; or
- (d) the Board of Directors may, in their absolute discretion, if they deem fit, instead send statement containing the salient features of such documents in the prescribed form to every member of the Company and to every trustee for the holders of any debentures issued by the Company in accordance with the provision contained in Section 219 of the Act.

#### **Accounts to be Audited**

193. (1) Once at least in every year they accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.

(2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

**193A. Appointment of Auditors.**

(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.

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

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

(a) he is not qualified for re-appointment;

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

(c) a resolution has been passed at that Meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or

(d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with.

(4) Where at any Annual General meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

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

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

(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.

**Power of Board to modify Final Accounts**

194. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

194A. Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219

(1) The Company shall comply with the requirements of Section 219 of the Act.

(2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period 21 days before the Annual General Meeting.

A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.

194B. Accounts when audited and approved to be conclusive except as to errors discovered within 3 months

Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected

by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.

## DOCUMENTS AND NOTICE

### Services of documents on member by Company

195. (1) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him to his registered address or he has no registered address in India, to the address if any, within India supplied by him to the Company for the giving of notice to him.

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

(a) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document or the notice provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under the certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) Such service shall be deemed to have been effected:

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

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

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

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

(5) A certificate in writing signed by the manager, secretary or other officer or employee of the Company that the notice was properly addressed, prepaid and posted shall be conclusive evidence thereof.

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

### Service of documents on Company

196. A document may be served on the Company or an officer thereof by sending it to the Company or the officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.

### 196A. "Service of documents on the Company"

Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks.

### Authentication of documents and proceedings

197. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, Manager, Secretary or other authorised officer of the Company and need not be under the Common seal of the Company.

## REGISTERS AND DOCUMENTS

### 197A. Registers and documents to be maintained by the Company

The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

(a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act

(b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act.

(c) Register and index of Member and debenture holders as required by Section 150, 151 and 152 of the Act.

(d) Foreign register, if so though fit, as required by Section 157 of the Act

(e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act.

(f) Register of Directors and Secretaries etc. as required by Section 303 of the Act.

(g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act.

(h) Register of investments made by the Company in Shares and Debentures of bodies corporate in the same group as required by Section 372(2) of the Act.

(i) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.

(j) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.

#### 197B. Inspection of Registers

The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

### INDEMNITY

#### Company may indemnify

198. Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or any person (whether officer of the Company or not) employed by the Company or as an auditor or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay, out of the funds of the Company, all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered in to or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provision, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court.

199. subject to the provisions of Sections 201 of the Act; no Director, Manager or other officer of the Company shall be liable for the acts, receipts or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by an error of judgment, omission, default or oversight, on his part or for any other loss, damage or, misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

### WINDING UP

#### Distribution of Assets

200. If the Company shall be wound up and the assets available for distribution among the members are such as shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed

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

#### 200A. Distribution in specie or kind

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

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

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

#### 200B. Right of shareholders in case of sale

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

#### 200C. Directors and others right to indemnity

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

#### 200D. Director, officer not responsible for acts of others

Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the 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 any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

#### SECURITY CLAUSE

##### SECURITY

201. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Security undertaking.

202. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

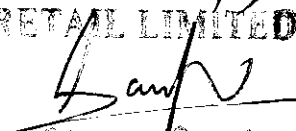
##### Knowledge implied

203. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.



Sl. No,	Signature, Names, Addresses Description and Occupation of the subscribers	Signature, Name, Address, Description and Occupation of the Witness.
1.	SD/- RATAN CNAND LODHA S/o. Mr. RAJMAL LODHA 6/C-2, Ritherdon Avenue, Ritherdon Road, Vepery Chennai 600007 OCCUPATION: BUSINESS	BOTH THE SUBSCRIBERS SINGED IN MY PRESENCE  SD/- B.SRIDHAR S/O.B.BALAKRISHNAN NO.2, RAJA ANNAMALAI ROAD, PURASAWALKAM CHENNAI 600 084. COMPANY SECRETARY C.P. NO.3550.
2.	SD/- NITESN LODHA RATANCHAND S/o. RATAN CHAND LODHA 6/C-2, Ritherdon Avenue, Ritherdon Road, Vepery Chennai 600007 OCCUPATION: BUSINESS	
3.	SD/- SHREYANS LODNA RATANCHAND S/o. RATAN CHAND LODHA 6/C-2, Ritherdon Avenue, Ritherdon Road, Vepery Chennai 600007 OCCUPATION: BUSINESS	

PLACE: Chennai  
DATE : 17.09.2010

*Certified True Copy*  
For RCL RETAIL LIMITED  
  
Company Secretary