

THE INDIAN COMPANIES ACT, 1913

COMPANY LIMITED BY SHARES

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MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

HARDCASTLE & WAUD MANUFACTURING COMPANY LIMITED

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## Certificate of Incorporation

No. 4581 of 1945-1946

I hereby certify that HARDCASTLE AND WAUD  
MANUFACTURING COMPANY \*PRIVATE LIMITED is this  
day incorporated under the Indian Companies' Act VII of 1913,  
and that the Company is Limited.

Given under my hand at Bombay this Fifteenth day of  
October One thousand nine hundred and forty five.



Sd. BEHRAMJI MODI  
*Registrar of Companies*



## Second Certificate of Incorporation

Co. No. 4581

I hereby certify that "HARDCASTLE & WAUD MFG. CO., LIMITED" was on FIFTEENTH day of OCTOBER one thousand nine hundred and FORTY-FIVE incorporated under the Indian Companies Act VII of 1913 and that on the Companies Act I of 1956 coming into force the word 'Private' was inserted pursuant to Section 24(1) of the Companies Act I of 1956 in the name of the Company and that the Company thereafter was known as HARDCASTLE & WAUD MFG. CO., PRIVATE LIMITED, and again by virtue of Section 43-A the name was changed subsequently to "HARDCASTLE & WAUD MFG. CO., LTD."

Given under my hand at BOMBAY this TWENTY-SEVENTH day of JULY one thousand nine hundred and SEVENTY-ONE.



( S. K. SAHA )  
Asstt. Registrar of Companies,  
Maharashtra, Bombay.

THE INDIAN COMPANIES ACT 1913

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

HARDCASTLE & WAUD MANUFACTURING  
COMPANY LIMITED

- I. The name of the Company is Hardecastle & Waud Manufacturing Company Limited.
- II. The registered office of the Company will be situated in the Province of Bombay.
- III. The objects for which the Company is established are :-
  1. [To manufacture and sell metallurgical furnaces, cupolas, pots, etc., and design and fabricate plants for various metal processes and process industries and metallurgical processes and] to carry on the business of iron founders, mechanical engineers and manufacturers of all kinds of machinery, brass founders, metal workers, boiler makers, mill wrights, machinists, iron and steel converters, smiths, woodworkers, builders, painters, metallurgists, electrical woodworkers, builders, painters, metallurgists, electrical engineers, water supply engineers and manufacturers of wire brushes, oil refiners and grease manufacturers.
  - (1A. To carry on the business of manufacturing and selling of all kinds of Paints, Colours, Pigments, lakes, toners and similar colouring materials and colourants, Pigment emulsions, Varnishes, Enamels, Distempers, Chrome Compounds, Dispersions of Binder materials Thickeners, Thinners, latex, paints lacquers Solvents, insulating media and compositions, Printing inks, Lithographic inks, and allied products such as dispersing and wetting agents, suspending agents, bodying agents driers, and drier aids, etc. of all types and of fine and heavy chemicals, rubber chemicals, rubber adhesives and processed rubbers, dyes, dyestuffs, synthetic and processed resins and other high polymeric materials and manures, catalysts, inhibitors of all kinds, and also of manufacturing and selling of acids, alkali and chemical resistant compositions and cement, adhesives, mortars and structural materials of all types of jointing liquids, pastes and sheeting all description and also as chemicals brokers, drysalts and merchants in all its respective branches either as principal or as agents.]
  - (1B. To carry on the business of manufacturing metal treatment chemicals, passivating agents, rust preventives foundry aids.]

2. To buy, sell, manufacture, repair, convert, alter, lend or hire and deal in machinery, implements, and hardware of all kinds.
3. To undertake and execute any contracts for works involving supply of use of any machinery and to carry on any auxiliary or other works comprised in such contracts.
4. To carry on the business of merchants and exporting merchandise stores, and raw materials from India and of importing merchandise stores and raw materials into India whether for sale direct or on commission agency or upon any other terms and generally to deal in all goods, materials, provisions and produce.
5. To buy, sell, manufacture, repair, alter and exchange, let on hire, export, and deal in all kinds of articles and things which may be required for the purposes of any such business or commonly supplied or dealt in by person engaged in any such business or which may seem capable of being profitably dealt within connection with any such business.
6. To acquire by purchase, lease or otherwise, for the purpose of the Company any immovable or moveable property, rights or privileges, including, any land, buildings, rights of way, easements licences, concessions and privileges, trade mark, machinery, plant, utensils, accessories and stock in trade.
7. To transact and carry on all kinds of agency business which may seem to the Company desirable and generally to carry on any other trade or business which may seem to the Company capable of being conveniently carried on in connection with any of these objects or otherwise calculated directly or indirectly to render any of the company's property or rights for the time being profitable and also to acquire, promote, aid foster, subsidise, or acquire interests in any industry or undertaking in any country or countries whatsoever.
8. To acquire, use, exercise, develop, apply for, purchase, or otherwise acquire and renew any patents, licences and like rights, conferring and exclusive non-exclusive or limited right to use, or any secret or other information as to any invention which may seem calculated directly or indirectly to benefit this Company and to use, exercise, develop, grant licences in respect of, or otherwise turn to account the rights and information so acquired and to spend money upon testing and improving or seeking to improve and such patents, inventions and rights which the Company may acquire or propose to acquire.
- (8A. To sell, mortgage, assign, convey, let on lease or fee farm grant or otherwise dispose from time to time all or any of the concessions, lights, interests, lands,

roads, and premises plant, machinery or apparatus and other property of the Company, or such other part or parts thereof as may be considered expedient.]

[8B. To grant any lease, privileges, concessions, or rights whether over in upon or affecting any property of the Company.]

✓ 9. To carry on any other business which may seem to the Company capable being conveniently carried on in connection with any business which the company is authorised to carry on or may seem to the Company calculated directly or indirectly to benefit this Company's or to enhance the value of or render profitable any of the Company's properties or rights.

[9A. To apply for, purchase or otherwise acquire, any patents, licences and the like, conferring an exclusive or non-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 seem calculated directly or indirectly to benefit this Company, and to use, exercise, develop, grant licences in respect of, or otherwise turn to account the rights and information so acquired.]

10. To acquire and carry on all or any part of the business or property, and to undertake any liabilities of any person, firm association or company possessed or property suitable for any of the purposes of this Company or carrying on any business which this Company is authorised to carry on or possessed of property or rights suitable for any of the purposes of this Company and as the consideration for the same to pay cash or to issue any shares stocks or obligations of this Company.

11. To enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint adventure reciprocal concessions or otherwise with any person, firm or Company carrying on or engaged in or about to carry on or engaged in any business or transaction which the Company is authorised to carry on or engage in or any business undertaking or transaction capable of being conducted so as directly or indirectly to benefit this Company and to lend money to guarantee the contracts of or otherwise assist any such person, firm or Company and to take or otherwise acquire and hold, sell, reissue or otherwise deal with shares or securities or obligations of any such person firm or Company, and to guarantee the principal or interest of any such securities or obligations or any dividends upon any such shares or stock.

✓ 12. To promote and form and to be interested in and take hold and dispose of shares in other Companies for all or any of the objects mentioned in this Memorandum and to transfer to any such Company

any property of this Company and to take or otherwise acquire, hold and dispose of shares, debentures and other securities in or of any other Company and to subsidise or otherwise assist any such Company.

- ✓ 13. To purchase, subscribe, for or otherwise acquire and to hold the shares, stocks or obligations of any (Government, Local authority), Company (or Corporation) in India or elsewhere and upon a distribution of assets or division of profit to distribute any such shares, stocks, or obligations amongst the Members of this Company in kind.
- [13A. To invest money at interest on the security of land of any tenure, buildings, farming stock, stocks, shares, securities, merchandise, and any other property, and generally to lend and advance money to any persons, firms or companies and particularly to customers or other persons or companies having dealings with the Company with or without security, and upon such terms and subject to such conditions, and give any guarantee as may be deemed expedient.]
- [13B. To take part in the management, supervision, or control of the business or operations of any company or undertaking, and for that purpose to appoint and remunerate any directors, accountants or other experts or agents.]
- [13C. To transact or carry on all kinds of agency business and, in particular in relation to the investment of money, the sale of property, and the collection and the receipt of money, and the floating of companies and the issue of loans.]
14. To borrow or raise or secure the payment of money or to receive money on deposit at interest and for those or other purposes to mortgage or charge the undertaking and all or any part of the property and rights of the Company present or after acquired including uncalled capital, and to create, issue, make, draw, accept and negotiate perpetual or redeemable debentures or debenture stock bonds or other obligations, bills of exchange, promissory notes or other negotiable instruments.
15. To pay all the costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital and to remunerate or make donations to (by cash or other assets or by the allotment of shares either fully or partly paid or in any other manner whether out of the Company's capital or profits or otherwise) any person or persons for services rendered or to be rendered in introducing any property or business to the Company or for any other reason which the Company may think proper.
16. To sell, let develop, dispose of or otherwise deal with the undertaking or all or any part of property

of the Company, upon any terms with power to accept as the consideration of any share stock or obligations of or interest in any other Company.

- [16A. To amalgamate with Mermaid Paints (Pvt.) Ltd. or any other Company for such consideration as this Company may from time to time deem fit and in particular for shares (whether fully or partly paid up) debentures or debenture stock, or securities of any other company having objects altogether or in part similar to those of this Company]
17. To enter into any arrangements with any Governments or authority supreme, Municipal local or otherwise and to obtain from any such Government or authority any rights, concessions and privileges that may seem conducive to the Company's objects or any of them.
  18. To establish and support or aid in the establishment and support of associations, institutions and conveniences calculated to benefit any of the (Directors) employees or ex-employees of the Company or the dependents or connection of such persons and to grant pensions, (bonus) and allowances and to make payments toward insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object.
  19. To distribute any of the property of the company amongst the members in specie or in kind.
  20. To promote any Company or Companies for the purpose of its or their acquiring all or any of the property rights and liabilities of the Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company and to pay all the expenses or incident to such promotion.
  21. To carry out all or any of the foregoing objects as principals or agents or in partnership or in conjunction with any other person, firm, association or Company or by means of any subsidiary or auxiliary Company, and in any part of the world.
  22. To do all such other things as are incidental or conducive to the attainment of the above objects and the intention is that the objects set forth in each of the several paragraphs of this clause shall have the widest possible construction. [And it is hereby declared that the word 'Company' (save when used in reference to this Company) in this clause shall be deemed to include any partnership or other body of person whether incorporated or not incorporated and wherever domiciled, and that the objects set forth any sub-clause of this clause shall not, except when the context expressly



so requires, be in any wise limited or restricted by reference to or inference, from the terms of any other sub-clause or by the name of the company. None of such sub-clauses or by the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause of this clause but the company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the business, undertaking, property or act proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub-clause of this clause.]

IV. The liability of the member is limited.

\* V. The capital of the Company is Rs 5,00,00,000/- divided in 50,00,000 shares of Rs 10 each.

VI. The Company has power from time to time to increase or reduce its capital and to issue any shares in the original or new capital as ordinary, preferred or deferred shares and to attach to any class or classes of such shares any preferences, rights, privileges or priorities in payment of dividends or distribution of assets or otherwise or to subject the same to any restrictions, limitations or conditions and to vary the regulations of the Company, as far as necessary to give effect to the same and upon the sub-division of shares to apportion the right to participants in profits in any manner.

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\* The original Capital was Rs. 5,00,000. By virtue of Special Resolution passed at the Extra-ordinary General Meeting of the Company held on 14th day of July 1959 the authorised capital of the Company. was increased to Rs. 50,00,000.

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\* The capital was further increased to Rs 5,00,00,000/- by virtue of Special Resolution passed at the 47th Annual General Meeting of the Company held on 14th August, 1993.

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

Name of Subscriber	Address & Description	Number of Shares taken	Witness.
C.H. Hardcastle	Merchant & Engineer, Mafatal Park Warden Road Bombay.	One	Witness to all signatures A. Mendoza Head clerk Hardcastle Waud & Co. Ltd. Hornby Road Bombay.
J.K. Rege	Merchant Raghav Wadi French Bridge Bombay.	One	
V.V. Debholkar	Lordlord 22 Laburnum Road, Gundevi, Bombay.	One	

Dated the 12 day of October 1945.

The words and clauses in brackets [ ] were incorporated by Special Resolution passed on 14th July 1959 and confirmed by an order of the High court of judicature at Bombay dated the 8th day of February 1960.

These Articles of Association were adopted in substitution and exclusion to all the existing Articles of Association at the Extra Ordinary General Meeting of the Members of the Company held on 9th June 1977.

ARTICLES OF ASSOCIATION  
OF  
HARDCASTLE & WAUD MANUFACTURING  
COMPANY LIMITED

TABLE "A" EXCLUDED

1. The regulations contained in the Table marked 'A' in Schedule I to the Companies Act, 1956 (hereinafter called the Act or the said Act) shall not apply to the Company except so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

Table 'A'  
not to apply.

The regulations for the management of the Company and for the observance of the members thereto and their representatives shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to the Regulations by special resolution as prescribed or permitted by section 31 of the Act, be as are contained in these Articles.

Company to be  
governed by  
these Articles.

INTERPRETATION

2. The marginal notes hereto shall not affect the construction hereof.

Marginal notes  
not authoritative.

In these Articles, unless there be something in the subject or context inconsistent therewith:

Interpretation  
Clause.

(i) "Alter" and "Alteration" shall include the making of additions and omissions.

"Alter"

(ii) "The Company" means "HARDCASTE AND WAUD MANUFACTURING COMPANY LIMITED".

"The Company"

(iii) "Body Corporate" or "Corporation" includes a company incorporated outside India but does not include -

"Body Corporate"

(a) a corporation sole;

(b) a co-operative society registered under any law relating to co-operative societies; and

(c) any other body corporate (not being a company as defined in the Act) which the Central Government may, by notification in the Official Gazette, specify in this behalf.

(iv) "A company" shall include a company as defined in section 3 of the Act.

"A Company"

(v) "The Act" or "the said Act" means the Companies Act I of 1956 and subsequent amendments and other Acts for the time being in force in India containing the provisions of the Legislature in relation to companies.

"The Act"

- "The Directors" (vi) "The Directors" means the Directors for the time being of the Company or as the case may be, the Directors assembled at a meeting of the Board or acting by circular under the Articles.
- "Debenture" (vii) "Debenture" includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.
- "Document" (viii) "Document" includes summons, notice, requisition, order, other legal process and registers, whether issued, sent or kept in pursuance of this or any other Act or otherwise.
- "Dividend" (ix) "Dividend" includes bonus.
- "Board" (x) "Board" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board meeting or acting by circular under the Articles.
- "Member" (xi) "Member" shall mean shareholder and vice-versa.
- "Month" (xii) "Month" means calendar month.
- "Office" (xiii) "Office" means the registered office for the time being of the Company.
- "Ordinary Resolution & Special Resolution" (xiv) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned to these terms by section 189 of the Act.
- "These Presents" (xv) "These presents" means these Articles of Association as originally framed or as altered from time to time by Special Resolution.
- "Paid up" (xvi) "Paid up" includes credited as paid up.
- "Public Holiday" (xvii) "Public Holiday" means a public holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI) of 1881) provided that no day declared by the Central Government to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
- "Variation" (xviii) "Variation" shall include abrogation; and "vary" shall include abrogate.
- "The seal" (xix) "The Seal" means the Common Seal of the Company for the time being.
- "Writing" (xx) "Writing" shall include printing, lithography and any other mode or modes of representing or reproducing words in a visible form or partly one and partly the other.
- "Singular Number" (xxi) Words importing the singular number shall also include the plural number and vice-versa.

- (xxii) Words importing the masculine gender shall also include the feminine gender. "Gender"
- (xxiii) "Corporation" shall include a company whether incorporated and formed under the Act or not. "Corporation"
- (xxiv) "persons" shall include corporations as well as individuals. "Persons"

Subject as aforesaid, any words or expression defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

Expression in the Act to bear the same meaning in Articles.  
Copies of the Memorandum & Articles to be furnished by Directors.

3. The Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Re. 1/- (Rupee: One), a copy each of the following documents as in force for the time being:
- (a) the Memorandum
  - (b) the Articles, if any.
  - (c) every other agreement and every resolution referred to in section 192 of the Act if and in so far as they have not been embodied in the Memorandum or Articles.

#4(1) Subject to applicable provisions of the Act, and subject to such conditions, approval or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own shares, whether or not there is any consequent reduction of capital. If and to the extent permitted by law, the Company shall also have the power to re-issue the shares so bought-back.

- (2) The Company shall not give, whether 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 shares in the Company or in its holding company.

Provided that nothing in this clause shall be taken to prohibit:

- (a) the provision in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for, fully paid shares in the Company or its holding company being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company including any Director holding a salaried office or employment in the Company, or
- (b) the making by the Company of loans within the limit laid down in sub-section (3) of section 77 of the Act to persons (other than Directors, Managing Director, Managing Agents, Secretaries and Treasurers or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for, fully paid shares in the Company or its holding company to be held by themselves by way of beneficial ownership.

# Substituted by a special resolution passed at the 53<sup>rd</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 1999.

- (3) No loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed the amount of his salary or wages at that time for a period of six months.
- (4) Nothing in this Articles shall affect the right of the Company to redeem any shares issued under section 80 of the Act.

### CAPITAL

- Capital and Shares      5. The Authorised Share Capital of the Company is Rs 5,00,00,000/- (Rupees Five Crores) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs 10/- (Rupees Ten) each.
- Provisions of sections 85 to 88 of the Act to apply.      6. The provisions of sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.
- Register of Members      7. (1) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with sections 150 and 151 of the Act and Register and Index of Debenture-holders in accordance with section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture-holders in accordance with section 157 of the Act.
- (2) The Company shall also comply with the provisions of section 159 and 161 of the Act as to filing annual returns.
- (3) The Company shall duly comply with the provisions of section 163 of the Act in regard to keeping of the Registers, Indexes, copies of annual returns and giving inspection thereof and furnishing copies thereof.
- Allotment shares.      8. The Directors shall observe the provisions of the Act relating to the allotment of shares.
- Shares at the disposal of the Directors      9. Subject to the provisions of section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of section 79 of the Act) at a discount and at such times as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may allot and issue shares in the capital of the company in payment or part payment for any property sold and transferred or for services rendered to the Company in 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 shares.
10. Option or right to call of shares shall not be given to any person except with the sanction of the Company in General meeting.      Option to call on shares.
11. (1) The Shares or other interest of any member in the Company shall be movable property, transferable in the manner provided by the Articles of the Company.      Every share transferable etc.
- (2) Each share in the Company shall be distinguished by its appropriate number.
- (3) A certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member to such shares.

S The Authorised Share Capital was further increased to Rs 5,00,00,000 by virtue of Special Resolution passed at the 47<sup>th</sup> Annual General Meeting of the Company held on 14<sup>th</sup> August, 1993.

\* For the word 'on' word 'of' was substituted by Special Resolution passed at the Extra-Ordinary Meeting held on 18<sup>th</sup> June, 1979.

12. (1) Where the Company issues shares at a premium, whether for cash or otherwise a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the share premium account", and the provisions of the Act relating to the reduction of the share capital of a company shall, except as provided in this Article, apply as if the share premium account were paid-up share capital of the Company. Application of premiums received on issue of shares
- (2) The share premium account may, notwithstanding anything in clause (1) 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 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.
- \*13(a) When it is proposed to increase the subscribed capital of the company by the allotment of further shares the provisions of section 81 of the Act in so far as the same be applicable shall be complied with. Further issue of Capital
- # (b) Subject to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Act and subject to the other provisions of these Articles, the Board may, from time to time, create, offer and issue to or for the benefit of the Company's employees including the Managing/Executive Directors and Wholtime Directors such number of equity shares of the Company of the face value of Rs 10/- each not exceeding in number at any time in the aggregate 5% of the capital after expansion, for subscription on such terms and conditions as may be determined by the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking pari passu with the existing equity shares of the Company.
1. The issue price of such shares shall be determined by the Board in accordance with the laws prevalent at the time of issue.
  2. In the alternative to equity shares, mentioned hereinabove, the Board may also issue bonds, equity warrants or other securities convertible or non-convertible into equity shares, as may be permitted in law, from time to time.
- All such issues as above are to be made in pursuance of Employees' Stock Option Scheme to be drawn up and approved by the Board.
14. If and whenever as the result of issue of new or further shares of any consolidation or sub-division of shares, any shares become held by members in fractions, the Directors 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 proportion, the net proceeds of the sale thereof. For Sale of fractional shares

\* The original Article 13 re-numbered as 13(a) and # inserted by a special resolution passed at the 53<sup>rd</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 1999.

the purpose of giving effect to any such sale the Directors may authorise 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 invalidity in the proceedings in reference to the sale.

Acceptance  
of shares.

15. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Directors shall comply with the provisions of sections 69, 70, 71, 72 and 73 of the Act so far as applicable.

Deposits and  
calls etc. to  
be a debt  
payable  
immediately.

16. The money (if any) which the Directors shall, on the allotment of any shares being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately, on the insertion of the name of 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.

Instalments  
on shares to  
be duly paid.

17. If by the condition of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

Calls on shares  
of the same class  
to be made on  
uniform basis.

18. 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.

Explanation: For the purpose of this provision, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Liability of  
joint-holders  
of shares.

19. The joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares.

Trust not  
recognised.

20. 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 shares 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 recognise any benami, trust or equity or equitable, contingent, future, or 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; and the provisions of section 153, 153A and 153B of the Act shall apply.



### UNDERWRITING AND COMMISSION

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

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

- (a) his subscribing or agreeing to subscribe, whether absolutely, or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section 4A of section 76 of the Act, or
- (b) his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in or debentures of the Company.

if the following conditions are fulfilled, namely,

- (i) The commission paid or agreed to be paid does not exceed in the case of shares, five per cent of the price at which the shares are issued and in the case of debentures, two and a half per cent of the price at which the debentures are issued;
- (ii) the amount or rate per cent of the commission paid or agreed to be paid is, in the case of shares or debentures offered to the public for subscription disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, disclosed in the Statement in lieu of Prospectus and filed, before the payment of the commission, with the Registrar, and where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures is issued, also disclosed in that circular or notice;
- (iii) the number of shares or debentures which persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid, and
- (iv) a copy of the contract for the payment of the commission is delivered to the Registrar at the time of delivery of the Prospectus or the Statement in lieu of Prospectus for registration.

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

- (a) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in or debentures of the Company, or
- (b) his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in or debentures of the Company.

whether the shares, debentures or money be so allotted or applied by being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise.

(3) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has heretofore been lawful for the Company to pay.

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

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

#### CERTIFICATES

Certificate  
of shares.

22. (1) The certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers, or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed, in such manner and by such persons as the Directors may determine from time to time.

(2) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under section 84 of the Act.

Members' rights  
to Certificate.

23. (1) Every member shall be entitled, without payment, to one certificate 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 time 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 the time provided by section 113 of the Act. Every Certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereof and shall be in such form as the Directors shall prescribe or approve provided that the Company shall not be bound to issue more than one Certificate and delivery of a Certificate for a share to one of several joint-holders shall be sufficient delivery to all such holders. The directors shall have discretion (which they may exercise from time to time and for any period of time) not to charge the fee in respect of splitting the share certificates referred to in this clause.

23(2) NOTWITHSTANDING the provisions contained in Article 23(1) above, the Board of Directors may refuse applications for issue of share certificate for sub-division or consolidation of shares into denominations of less than 25 except when such sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law.

(3) Notwithstanding anything in clause (1) above, the Directors shall however, comply with such requirements of the Stock Exchange where shares of the Company may be listed or such requirements of any Rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.

\* \* 23A(1) For the purpose of this Article:-

Definitions	<p>'Beneficial Owner' means a person or persons whose name(s) is/are recorded as such with a depository;</p> <p>'SEBI' means the Securities &amp; Exchange Board of India;</p> <p>'Depository' means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities &amp; Exchange Board of India Act, 1992; and</p> <p>'Security' means such security as may be specified by SEBI from time to time.</p>
Dematerialisation of Securities	(2) Notwithstanding anything to the contrary contained in these articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form, pursuant to the Depositories Act, 1996.
Options for Investors	(3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.  If a person opts to hold his security with a depository, the Company shall intimate such depository details of such holdings.
Securities in Depositories to be in fungible form Rights of Depositories and Beneficial Owners	(4) All securities held by a depository shall be dematerialised and be in fungible form.  (5) (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 purposes 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 is 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 the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
Service of Documents	(6) Notwithstanding anything in the Act or these Articles to the contrary, 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 discs.
Transfer of Securities	(7) 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 of records of a depository.
Allotment of Securities dealt with a Depository	(8) Notwithstanding anything to the contrary in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate details thereof to the depository immediately on allotment of such securities.

\* Inserted by a special resolution passed at the 38th Annual General Meeting of the Company on 20th June 1984.

The words "and (2)" added after the words "Notwithstanding anything in clause (1)" in the Original Article 23 (2) and Article 23(2) renumbered as 23(1) by a special resolution passed at the 38th Annual General Meeting of the Company on 20th June 1984.

\*\* Inserted by a special resolution passed at the 55th Annual General Meeting of the Company held on 29th September, 2001.

- Distinctive numbers of Securities held In a Depository
- (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- Register and Index of Beneficial Owners
- (10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security-holders for the purposes of these Articles.

24. 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 Directors, they may order the same to be cancelled, and may issue a new Certificate in lieu thereof and if any Certificate be lost or destroyed then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 1 for each Certificate) as the Directors shall prescribe, Put-of-pocket expenses incurred by the Company in investing the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors.

Issue of new Certificate in place of one defaced lost or destroyed.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations 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.

**CALLS**

25. The Directors may from time to time and subject to section 91 of the Act make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments.

Calls

26. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by members on a subsequent date to be specified by the Directors.

Calls to date from resolution.

27. Fifteen days' notice at the least shall be given by the Company of every call made payable otherwise than on allotment specifying the time and place of payment provided that before the time for payment of such call, the Directors may by notice in writing to the members, revoke the same.

Notice of call.

28. The Directors may from time to time, at their discretion extend the time fixed for the payment of any call, and may extend such time as to all or any of the members, who, from residence at a distance or other cause, the Directors may deem entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

Directors may extend time.

Amount payable  
at fixed time or  
by instalments  
as calls.

29. If by the terms of issue of any shares or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the shares or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalments accordingly.

When interest  
on call or  
instalment  
payable.

30. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of allottee of the share in respect of which a call shall have been made or the instalment shall be due, shall pay interest for the same at such rate not exceeding 9 (nine) percent per annum as the Directors shall fix, from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Partial payment  
not to preclude  
forfeiture.

31. Neither a judgement 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 forfeiture of such shares as herein provided.

Proof on trial  
of suit on  
money on shares.

32. On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder or one of the holders, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member used in pursuance of these present; and it shall not be necessary to prove the appointment of the Directors who made such calls or any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in  
anticipation  
of calls may  
carry interest.

33. (1) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, receive from any member willing to advance the same, all or any part of the sum 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 members paying such sum in advance and the Directors agree upon. And the Directors may at any time repay the amount so advanced upon giving to such member three months' notice in writing.

(2) The member shall not however be entitled to any dividend or to participate in any profits or to any voting rights in respect of the money so paid by him until the same would but for such payment become presently payable.

#### FORFEITURE, SURRENDER AND LIEN

34. (1) If any members fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the share by transmission, requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment,

If call or instalment not paid, notice must be given.

(2) The notice shall name a day (not being less than 14 (fourteen) days from the date of the notice) and a place or places, on and at which such call, instalment or such part or other moneys as aforesaid and such interest and expenses aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment or such part or other moneys is or are payable will be liable to be forfeited.

Form of notice.

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

In default of payment shares to be forfeited.

36. When any share shall have been so forfeited, notice of the forfeiture shall be given to the holder of the share or the person entitled to the share by transmission, and an entry of the forfeiture with the date thereof shall be made in the Register of Members, but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid.

Entry of forfeiture in Register of Members.

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

Forfeited shares to be property of the Company and may be sold.

38. The Directors may, at any time, before any share so forfeited shall have been sold reallocated or otherwise disposed of, annual forfeiture hereof upon such conditions as they think fit.

Power to annual forfeiture.

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

39. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and forthwith pay to the Company, all calls, instalments, interests, expenses and other moneys, 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 9 (nine) per cent per annum as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

Surrender of shares.

40. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

In company's lien on shares.

41. The Company shall have no lien on its fully paid-up shares, the care of partly paid-up shares, the Company shall have a first and paramount lien only in respect of all money-called or payable at fixed time in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article.

As to enforcing lien by sale.

42. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member, or the person (if any), entitled by transmission to the shares and default shall have been made by him in payment, fulfilment or discharge of such debts, liabilities or engagements for seven days after such notice.

Application of proceeds of sale.

43. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards satisfaction of all moneys called and payable in respect of such shares and the residue (if any) paid to such member or the person (if any) entitled by transmission to the shares so sold.

Certificate of forfeiture.

44. A Certificate in writing under the hand of one Director and countersigned by the Secretary or any other Officer authorised by the Directors for the purpose, that the call in respect of a share was made and notice thereof given, and that default in payment of the call was made and that the forfeiture of the share was made by a resolution of the Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.

Validity of sales under Articles 37 & 42.

45. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given the Directors may appoint some person or execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application

of the purchase money and after his name has been entered in the Register of Members 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.

46. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof, and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale, re-allotment or other disposal of the share.

Title of  
Purchaser and  
allottee for  
forfeited shares.

#### TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

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

Register of  
transfers.

48. Subject to the provisions of section 108 of the Act, the instrument of transfer of any share shall be in writing in the form prescribed from time to time by law. Provided that notwithstanding what is stated above the Directors shall comply with such 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.

Form of  
transfer.

49. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

To be executed  
by transferor  
and transferee.

50. (1) Subject to the provisions of section 111 of the Act, the Directors may at their own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge and transfer of shares and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a member of the Company. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except a lien on the shares.

Directors may  
refuse to  
register transfer.

(2) "Without Prejudice to Article 50(1) above, the Directors shall be entitled to refuse an application for transfer of less than 25 shares of the Company subject however to the following exceptions :

- (a) Transfer of equity shares made in pursuance of any statutory order or an order of a competent court of law
- (b) Transfer the entire holding of equity shares of a member which is less than 25 to one or more transferees provided that the total holding of the transferee or each of the transferees as the case may be will not be less than 25 or in multiples thereof after the said transfer.

(3) Nothing in section 108, 109 and 110 of the Act shall prejudice this power to refuse 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.

(4) If the Company refuses, whether in pursuance of any power under these articles or otherwise, to register any such transfer or of right, it shall, within two

\* Inserted by a special resolution passed at the 38th Annual General Meeting of the Company on 20th June 1984.

The original Articles 50(2) and 50(3), re-numbered as 50(3) and 50(4) respectively, by a special Resolution passed at the 38th Annual General Meeting of the company on 20th June 1984.



months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to the 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.

Transfer of  
shares.

51. (1) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected, unless the Company gives notice of the application to the transferee and subject to the provisions of clause (4), the Company shall unless objection is made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(2) For the purpose of clause (1) notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered to him in the ordinary course of post.

(3) It shall not be lawful for the Company to register a transfer of any shares unless the proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation of the transferee has been delivered to the Company along with the Certificate relating to the shares and if no such Certificate is in existence, along with the letter of allotment of the shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer. Provided that where it is provided to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and transferee has been lost, the Company may, if the Directors think fit on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to indemnity as the Directors may think fit.

(4) If the Company refuses to register the transfer of any shares, the Company shall within two months from the date on which the instrument of transfer is lodged with the Company send to the transferee and the transferor notice of the refusal as provided in Article 50.

(5) Nothing in clause (3) above shall prejudice any power of the Company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.

(6) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

Custody of  
instrument of  
transfer.

52. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depo-

siting the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

53. The Directors shall have power, on giving seven days' notice by advertisement as required by section 154 of the Act, to close the transfer books of the Company for such period or periods of time not exceeding on the whole 45 (forty-five) days in each year but not exceeding 30 (thirty) days at a time as they may deem fit.

Closure of  
transfer books.

54. The executors or administrators of a deceased member (whether European, Hindu, Mohamedan, Parsi or otherwise not being one or two or more joint-holders) or the holder of a Succession Certificate shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate unless they shall have first obtained Probate or Letters of Administration or a Succession Certificate as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letters of Administration or a Succession Certificate and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Title to shares  
of deceased  
holder.

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

Registration of  
persons entitled  
to shares  
otherwise than  
by transfer  
(Transmission  
Clause).

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

(3) This Article shall not prejudice the provisions of Articles 50 and 56.

56. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Refusal to  
register  
nominee.

57. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

Board  
may require  
evidence of  
transmission

#### # NOMINATION OF SHARES AND/OR DEBENTURES

58. (1) Every holder of shares in or debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death.

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

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

(4) Where the nominee is a minor, the holder of the shares or debentures concerned, can make nomination to appoint in the prescribed manner under the Act, any person to become entitled to the shares or debentures concerned in the event of his death during the minority.

#### TRANSMISSION IN CASE OF NOMINATION

- 58A. (1) Notwithstanding anything contained in Article 55, any person who becomes a nominee by virtue of the provisions of section 109A of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either-

- (a) to be registered himself as holder of share or debenture as the case may be; or
- (b) to make such transfer of the share or debenture as the case may be as the deceased shareholder or debenture holder as the case may be could have made.

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

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

(4) A person being a nominee, becoming entitled to a share or debenture 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 or debenture except that he shall not, before being registered a member in respect of his share or debenture, 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 or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payments of all dividends, bonuses, or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

#### NOMINATION FOR FIXED DEPOSITS

58B. A depositor may, at any time, make a nomination and the provisions of sections 109A and 109B shall, as far as may be, apply to the nominations made pursuant to the provisions of section 58A(11) of the Act.

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

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

Transfer of debentures

60. The provisions of Articles 47 to 59 shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.

#### INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Increase of Capital

61. The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amount as it thinks expedient.

On what conditions the shares may issued

62.(1) Subject to the provisions of section 80,81 and 85 to 90 of the Act, the new shares shall be issued upon such conditions and with such rights and privileges annexed thereto as by the general meeting creating the same shall be directed and if no be direction be given, as the Director shall determine and in particular, such shares may be issued subject to the provisions of the said section with a preferential or qualified right to dividends shall and in distribution of assets of the Company and subject to the provisions of the said section with a special or without any right of voting and subject to the provisions of section 80 of the Act by preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

(2) Unless the Company in general meeting and in accordance with the provisions of section 81 of the Act shall otherwise determine, the provisions of section 81 of the Act shall be complied with, with regard to the offer of such shares.

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

Same as  
original  
Capital.

63. (1) Subject to the provisions of section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are, or at the option of the Company are to be liable, to the redeemed.

Power to issue  
redeemable  
preference  
shares.

Provided that :

- (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 have been provided for out of the profits of the Company or out of the Company's share premium account, before the shares are redeemed;
- (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the share redeemed; and the provisions of the Act relating to the reduction of the share capital of a company shall except as provided in section 80 of the Act, apply as if the capital redemption reserve account were paid-up share capital of the Company.

(2) Subject to the provisions of section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided by the Articles of the Company or the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

(3) The redemption of preference shares under this provision by the Company shall not be taken as reducing the amount of its authorised share capital.

(4) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares have never been issued; and accordingly the share capital of the Company shall not, for the purpose of calculating the fees payable under section 611 of the Act be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

(5) The capital redemption reserve account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

Provisions in  
case of  
redemption of  
preference shares.

64. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares, to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue due from day to day) and in the case redemption of part of the preference shares the following provisions shall take effect;

- (a) The shares to be redeemed shall be determined by a drawing which the Company shall cause to be made at its registered office in the presence of one Director at least; and
- (b) Forthwith after every such drawing the Company shall notify to the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified, each such shareholder shall be bound to surrender to the Company the share Certificates in respect of the shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry interest from the date named for payment as aforesaid. Where any such Certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh Certificate therefore.

Reduction of  
Capital.

65. Subject to confirmation by the court, the Company may, by special resolution, reduce its shares capital in any way; and in particular and without prejudice to the generality of the foregoing power, may:

- (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;
- (b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by any assets; or
- (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company;

and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital, and of its shares accordingly.

✱ BUY-BACK OF SHARES & SECURITIES

65A. Notwithstanding anything to the contrary contained in these Articles and subjects to the provisions of the Act or any other applicable law in force at the relevant time, the Board of Directors shall have power and is authorised to purchase any of the shares including equity shares or other securities of the Company and may make payments out of its capital, free reserves and/or the surplus in the profit and loss account, securities premium account or from such other sources including borrowings as may be permitted for such purchases.

For the purpose of this Article, securities shall include securities convertible into equity shares or having such underlying voting rights as may be notified by the Central Government from time to time.

66. The Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may;

Division and sub-division.

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may subject to the provisions of the Act, be given any preference or advantage or otherwise over the others or any other such shares;
- (c) convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination;
- (d) cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled.

67 (1) If the Company has :

- (a) consolidated and divided its share capital into shares of larger amount than its existing shares;
- (b) converted any shares into stock;
- (c) re-converted any stock into shares;
- (d) Sub-divided its shares or any of them;
- (e) redeemed any redeemable preference shares; or

Notice to Registrar of consolidation of share Capital conversion of shares into stocks etc.

Inserted by a special resolution passed at the 55<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2001.

- (f) cancelled any shares otherwise than in connection with a reduction of share capital under sections 100 to 104 of the Act;

the Company shall within one month after doing so, give notice thereof to the Registrar specifying, as the case may be the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stock reconverted.

- (2) The Company shall thereupon request the Registrar to record the notice and make any alternations which may be necessary in the Company's Memorandum or Articles or both.

#### MODIFICATION OF RIGHTS

Powers to modify rights.

68. If at any time 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 be modified, abrogated or dealt with in accordance with the provisions of section 106 of the Act.

The dissentient members shall have the right to apply to the court in accordance with the provisions of section 107 of the Act.

Issue of further shares not to affect rights of existing shareholders.

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

#### JOINT-HOLDERS

Joint-holders.

70. Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these articles;

No transfer to more than four persons as joint tenants.

- (1) The Company shall be entitled to decline to register more than four persons as the holders of any share.

(2) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such shares.

Death of joint-holders.

(3) On the death of any one or more of such joint-holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they 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.

Receipts of one sufficient.

(4) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.



(5) 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 the delivery of the Certificate relating to such share or to receive notices (which expression shall be deemed to include all documents as defined in Article 2) from the Company and any notice given to such person shall be deemed to have been given to all the joint-holders.

Delivery of certificate and giving of notices to first named holder.

(6) Any one of two or more joint-holders may vote at any meeting either personally or by an agent duly authorised under a power of attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney, that one of such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.

Votes of joint-holders.

Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person, present by an agent, duly authorised under power of attorney or by proxy although the name of such person present by an agent or proxy stands first on the Register of Members in respect of such shares.

Several executors of a deceased member in whose (deceased member's sole name any share stands shall for the purpose of this clause be deemed joint-holders.

#### BORROWING POWERS

71. Subject to the provisions of sections 292 and 293 of the Act the Directors may from time to time at their discretion borrow any sum or sums of money for the purpose of the Company.

Power to borrow.

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

Conditions on which money may be borrowed.

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

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

74. Debentures, debenture-stock, bonds, or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Securities may be assignable free from equities.

75. Any bonds, debentures, debenture-stock or other securities may be issued, subject to the provisions of the

Issue at discount etc. or with special privileges.

Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, attending at general meeting of the Company, appointment of Directors and otherwise and subject to the following:

Debentures with voting rights not to be issued

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

(2) The Company shall have power to re-issue redeemed debentures in certain cases in accordance with section 121 of the Act.

(3) 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.

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

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

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

Limitation of time for issue of certificate.

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

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

Right to obtain copies of and inspect Trust Deed.

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

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

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

(b) The trust deed referred to in item (a) above shall also be open to inspection by any member or debenture-holder of the Company in the same manner, to the same extent, and on payment of

the same fees, as if it were the Register of Members of the Company.

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

Indemnity may be given.

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

Registration of charges.

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

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

(4) Where any charge on any property of the Company required to be registered under section 125 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

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

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

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

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

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

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

(11) The Company shall comply with the provisions of section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provisions of section 137

of the Act in regard to entering in the Register of Charges any appointment of Receiver or Manager as therein provided.

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

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

- (a) a short description of the property charged,
- (b) the amount of the charge; and
- (c) except in the case of securities to bearer, the names of persons entitled to the charge.

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

Register of  
Members and  
Debenture-  
holders.

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

Trust not  
recognized.

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

Power to close  
Register of  
Members of  
Debenture-  
holders.

80. (1) The Company may after giving not less than seven days' previous notice by advertisement in some news paper circulating in the district in which the registered office of the Company is situate, close the Register of 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 (thirty) days at any one time.

Foreign  
Register of  
Members.

(2) The Company may exercise the power to keep foreign Register of members or Debenture-holders as provided in section 157 of the Act and the provisions of section 158 of the Act as to foreign register shall be complied with.

Annual Return.

(3) The Company shall comply with the provisions of section 159 of the Act regarding filing of annual returns and the provisions of section 161 of the Act regarding annual return and certificates to be annexed thereto.

Place of keeping  
and inspection  
of registers  
and returns.

(4) (a) The Register of Members commencing from the date of the registration of the Company, the Index of members the Register and Index of Debenture-holders and copies of all annual returns prepared under section 159 of the Act together with the copies of certificate and documents required to be annexed thereto under section 161 of the Act shall be kept at the registered office of the Company or at such other place or places as may be permissible under the Act as the Directors may determine from time to time.

(b) The registers, indexes, returns and copies of certificates and other documents referred to in sub-section (1) of section 163 of the Act shall except when the Register of Members or Debenture-holders is closed under the provisions of the Act, be open during business hours (subject to such reasonable restrictions as the Company may impose so that not less than two hours in each day are allowed for inspection) to the inspection

- (i) of any member or debenture-holder, without fee; and
  - (ii) of any other person, on payment of a fee of Rupee one for each inspection.
- (c) Any such member, debenture-holder or other person may:
- (i) make extracts from any register, index or copy referred to in sub-section (1) of section 163 of the Act without fee or additional fee, as the case may be, or
  - (ii) require a copy of any such register, index or copy or of any part thereof, on payment of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.

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

#### STATUTORY, MEETING AND GENERAL MEETINGS

81. The Company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting at the intervals, and in accordance with the provisions of section 166 of the Act.

Annual General Meeting.

82. Every Annual General Meeting shall be called for any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate.

Time and place of Annual General Meeting.

83. The Directors may call an extra-ordinary general meeting of the Company whenever they think fit:

Power of Directors to call Extraordinary General Meeting.

84. (1) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (4) of this Article, forthwith proceed duly to all an extra ordinary general meeting of the Company.

Calling of Extraordinary General Meeting on requisition.

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

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

(4) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them 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 at that date carries the right of voting in regard to that matter.

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

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

(a) by the requisitionists themselves.

(b) by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in clause (4) whichever is less.

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

(7) A meeting called under clause (6) by the requisitionists or any of them:

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

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

Explanation: Nothing in clause (7) (b) shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid from adjourning to some day after the expiry of that period.

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

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

85. (1) the provisions of sections 171 to 186 of the Act, shall, notwithstanding anything to the contrary in the Articles, apply with respect to general meetings of the Company.

Sections 171 to 186 of the Act shall apply to meeting.

(2) (a) Section 176 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or of debenture-holders of the Company in like manner as it applies with respect to general meetings of the Company.

(b) Unless the Articles or a contract binding on the persons concerned otherwise provide, sections 171 to 175 and sections 177 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed, shall apply with respect to meetings of any class of members or of debenture-holder or any class of debenture-holders of the Company in like manner as they apply with respect to general meetings of the Company.

86. (1) A general meeting of the Company may be called by giving not less than twenty-one days' notice in writing.

Length of notice for calling meeting.

(2) A general meeting of the Company may be called after giving shorter notice than that specified in clause (1), if consent is accorded thereto:

- (i) in the case of an annual general meeting by all the members entitled to vote thereat; and
- (ii) in the case of any other meeting, by members of the Company holding not less than 95 (ninety-five) percent of such part of the paid up capital of the Company as gives a right to vote at the meeting;

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

87. (1) Every notice of a 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.

Contents and manner of service of notice and persons on whom it is to be served.

- (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 a 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 be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred, and
  - (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 or members of the Company.

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of section 53 of the Act, the statement of material facts referred to in section 173 of the Act, need not be annexed to the notice as required by 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 the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

88. (1) For the purpose of this Article:

- (a) In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to (i) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors (ii) the declaration of a dividend, (iii) the appointment of Directors in the place of those retiring, and (iv) the appointment of and the fixing of the remuneration of the auditors, and
- (b) In the case of any other meetings, all business shall be deemed special.

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

Explanatory statement to be annexed to notice.



Provided that the extent of shareholding interest of any such person shall be set out in the circumstances specified in the proviso to sub-section (2) of section 173 of the Act.

(3) 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 shall be specified in the statement aforesaid.

89. (1) Five members personally present shall be the quorum for meeting of the Company.

Quorum for meeting.

(2) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved.

(3) In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place, as the Board may determine.

(4) If at the adjourned meeting also, quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be the quorum.

90. (1) No business shall be transacted at any general meeting unless the quorum requisite be present at the commencement of the business.

Presence of quorum.

(2) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.

Business confine to election of Chairman whilst Chair vacant.

90. (3) The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves 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 Directors present be willing to take the chair, the members present shall choose one of themselves to be the Chairman.

Chairman of General Meeting.

(4) The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situate.

Chairman with consent may adjourn the meeting.

(5) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Business at adjourned meeting.

91. (1) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.

Proxies.

(2) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled

to appoint a proxy or where that is allowed one or more proxies, to attend and vote instead of himself and that a proxy need not be a member.

(3) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty-eight) hours before the meeting in order that the appointment may be effective thereat.

(4) The instrument appointing a proxy shall

- (a) be in writing, and
- (b) be signed by the appointer or his attorney duly authorised in writing, or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

Form of Proxy.

(5) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in the usual common form or in such other form as the Directors may approve from time to time.

(6) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by the Articles.

Restrictions on exercise of voting rights of members who have not paid calls etc.

(7) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

#### VOTES OF MEMBERS

Restriction on exercise of voting right in other cases be void.

92. 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 has exercised any right of lien.

93. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 93:

Equal rights of shareholders.

94. Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Voting to be by show of hand in first instance.

95. At any general meeting a resolution put to the vote of the meeting shall unless a poll is demanded under section 179 of the Act be decided on a show of hands.

96. (1) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote for every share held by him.

Votes.

(2) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under section 187 of the Act in which case such proxy or representative may vote on a show of hands as if he were a member of the company.

No voting by proxy on show of hands.

(3) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to transfer any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty-eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Votes in respect of shares of deceased or insolvent members etc.

(4) If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meeting of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company, if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

Custody of the instruments.

(5) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.

Validity of vote given by proxy notwithstanding death of member etc.

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

Time for objections for vote.

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

Chairman of any meeting to be the judge of any vote.

97. A declaration by the Chairman in pursuance of section 177 of the Act that on a show of hands, a resolution has or has not been carried or 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.

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

Demand for poll.

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

- (a) by a least five members having the right to vote on the resolution and present in person or by proxy, or
- (b) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution, or
- (c) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up, which is not less than one-tenth of the total sum paid-up on all the shares conferring that right.

(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.

99. (1) A poll demanded on a question of adjournment shall be taken forthwith.

(2) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in section 175 of the Act) shall be taken at such time not being later than 48 (forty-eight) hours from the time when the demand was made, as the Chairman may direct.

Demand for poll not prevent transaction of other business.

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

Right of a member to use his votes differently.

101. On a poll taken at a meeting of the Company a member 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.

Scrutineers at poll.

102. (1) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.

(2) 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 in the office of scrutineers arising from such removal or from any other cause.

(3) Of the two scrutineers appointed under this Article, 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 willing to be appointed.

Manner of taking poll and result thereof.

103. (1) 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.

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

104. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Casting votes.

105. (1) A body corporate (whether a company within the meaning of the Act or not), if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of section 187 of the Act authorise a person to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company or at any meeting of any creditors of the Company.

Representation of body corporate.

(2) The representation of the President of India or of the Governor of a State if he is a member of the Company may be allowed in accordance with the provisions of section 187A of the Act or any other statutory provision governing the same.

Representation of President of India or Governor.

106. The Company shall observe the provisions of section 187B of the Act in regard to the public trustee.

Public Trustee.

107. The Company shall comply with the provisions of section 192 of the Act relating to registration of certain resolution and agreements.

Regulation of resolutions and agreements.

108. The Company shall comply with the provisions of section 188 of the Act relating to circulation of members' resolutions.

Circulation of members' resolution.

109. The Company shall comply with the provisions of section 190 of the Act relating to resolutions requiring special notice.

Resolution requiring special notice.

110. The provisions of section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolution shall be deemed for all purposes as having been passed on the date on which in fact it was passed and shall not be deemed to have been passed on any earlier date.

Resolutions passed at adjourned meeting.

111. The Company shall cause minutes of all proceedings of every general meeting and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board, to be entered in the books to be kept as may be required by section 193 of the Act.

Minutes of proceedings of General Meeting and of Board and other meetings.

112. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of section 193 of the Act then, until the contrary proved the meeting shall be deemed to have been duly called and held and all proceedings thereat

Presumptions to be drawn where minutes duly drawn and signed.

to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

Inspection of  
minute books  
of general  
meetings.

113. (1) The books containing the minutes of the proceedings of any general meeting of the Company shall:

- (a) be kept at the registered office of the Company, and
- (b) be open during the business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may in general meeting impose so however that not less than two hours in each day are allowed for inspection.

(2) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company, with a copy of any minutes referred to in clause (1) on payment of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.

(3) In the case of any refusal or default, the court may, by order, compel an immediate inspection of the Minute books or direct that the copy required shall forthwith be sent to the person requiring it.

Publication of  
reports of  
proceedings of  
General Meetings.

114. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by section 193 of the Act to be contained in the minutes of the proceeding of such meeting.

#### MANAGERIAL PERSONNEL

Managerial  
personnel.

115. The Company shall duly observe the provisions of section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

#### MANAGEMENT

Number of  
Director.

116. The number of Directors of the Company shall not be less than 3 excluding the Special Director, if any, and the Debenture Director, if any, and the Corporation Director, if any.

Debenture  
Director.

117. Any Trust Deed for securing debentures or debenture-stock may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stock, of some person to be a Director of the Company and may empower such Trustees or holders of Debentures or debenture-stock, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. the Debenture Director shall not be bound to hold

any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

#118. Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit & Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), Gujarat Industrial Investment Corporation Limited (GIIC) and Gujarat State Finance Corporation (GSFC) or to any other Finance Corporation or Credit Corporation or to any Bank out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, GIIC, GSFC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any Bank (each of which IDBI, IFCI, ICICI, LIC, GIIC, GSFC and UTI or any other Finance Corporation or Credit Corporation or any bank is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, whole time or non-whole-time, (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

Nominee  
Directors

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of directors. Subject as aforesaid, Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any monies remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company is outstanding and the Nominee Director/s so appointed in exercise of the said powers shall ipso facto vacate such office immediately the monies owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold Debentures/shares acquired as aforesaid in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

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

# substituted by a special resolution passed at the 43<sup>rd</sup> Annual General Meeting of the Company held on 15<sup>th</sup> September, 1989.

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

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

Provided also that in the event of the Nominee Director/s being appointed as whole-time director/s such Nominee Director/s shall exercise such powers duties as may be approved by the Lenders and have such rights as are usually exercised or available to a whole-time Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Lenders'.

119. 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 authorise such company, corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint, from time to time, any person as a 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 the 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.

Special  
Director

The Collaborator 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 a 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 many Special Directors as the Collaborators eligible to make the appointment.

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| Limit on number of non-retiring Directors | 120. The provisions of Articles 119, 120, 121 and 164 are subject to the provisions of section 255 of the Act and the number of such Directors appointed under Articles 119, 120, 121 and 164 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office. |
| Alternate Director                        | 121. The Board of Directors may appoint any Alternate Director in accordance with section 313 of the Act.  |
| Qualification of Director                 | 122. A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.  |
| Remuneration of Directors                 | *123 The remuneration of a Director (including a Corporation Director) for his services for attending a Board Meeting shall be in accordance with the provisions of Section 310 of the Act   |

Provided further that in the case of a Corporation Director if so desired by the Corporation appointing him, no sitting fees shall be paid to him. Such sitting fees may, however, be paid to the appointing Corporation if so desired by it.

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| Travelling and other expenses. | 124. The Directors may allow and pay to any Director who travels for the purpose of attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings, or in connection with the business of the Company, his travelling and hotel and other expenses incurred by him in consequence or for the purpose of his attendance, and in connection with the business of the Company in addition to his fees for attending such meetings as above specified and other remuneration payable to him. |
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Provided that if so desired by the Corporation appointing a Corporation Director, the Company may instead reimburse the Corporation appointing such Director any sums that may be paid by it to that Director in respect of his attendance at the meeting of the Board.

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| Remuneration to Committee of Management | 125. The Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by them, which may be called as "Committee of Management" in the following manner. |
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The remuneration of the Committee of Management referred to in this Article may be divided by the Committee by majority decision of the members thereof amongst such member or members and/or any ex-member or ex-members thereof and in such manner or proportion and on such basis as such majority may in their discretion decide.

The Directors may from time to time re-constitute such Committee by changing the personnel thereof as they may in their discretion, think fit.

\* Substituted by a special resolution passed at the 47<sup>th</sup> Annual General Meeting of the Company held on 14<sup>th</sup> August, 1993.

The remuneration payable under this Article shall be in addition to the sitting fee provided in Article 125 and expenses and allowances under Article 126.

126. The Directors may from time to time appoint one or more members of their body constituting a Committee other than the committee of Management appointed by the Directors in terms of Article 127. The remuneration of a member of the Committee so appointed, for his service for attending a meeting of the Committee shall be Rs. 250/- per each meeting attended by him in addition to the expenses and allowances under article 126.

Appointment and remuneration to Committee.

Provided that in the case of a Corporation Director, who may be a member of the Committee of Director other than the Committee of Management, if so desired by the Corporation appointing him,

- (i) no sitting fee shall be paid to him;
- (ii) such sitting fee may, however, be paid to the Corporation appointing him;
- (iii) the Company may instead reimburse the Corporation appointing such Director any sums that may be paid by it to the Director in respect of his attendance at the meetings of a Committee.

127. If any Director, being willing, shall be called upon to perform extra services or to take any special exertions for any of the purposes of the Company, the Company may, subject to the provisions of the Act, remunerate such Director either by a fixed sum or by a percentage of profit or otherwise as may be determined by the Directors but not exceeding that permitted under section 309 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

Remuneration for extra services.

128. The Directors may be paid further remuneration (if any) as the Company in general meeting may, subject to the provision of the Act and the Articles, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time, subject to the provisions of the Act, determine and in default of such determination within the year, equally.

Further remuneration.

129. (1) Any provision relating to the remuneration of any Director, a Managing or whole time Director, or any amendment thereof, which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, whether that provision be contained in the Company's Memorandum or Articles or in an agreement entered into by it, or any resolution passed by the Company in general meeting or by the Board of Directors, shall not have any effect unless approved by the Central Government; and the amendment shall become void if, and in so far as, it is disapproved by the Government.

Increase in remuneration of Directors to require Government sanction.

(2) If the terms of any re-appointment or appointment of a Managing or Wholetime Director, purport to increase

or have the effect of increasing, whether directly or indirectly the remuneration which the Managing or Wholetime Director or the previous Managing or Wholetime Director, as the case may be was receiving immediately before such re-appointment or appointment shall not have any effect unless approved by the Central Government, and shall become void, if, and in so far as, it is disapproved by the Government.

Directors not to act when number falls below minimum.

130. When the number of Directors in office falls below the minimum above fixed, the Directors shall not except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company act so long as the number is below the minimum and they may so act notwithstanding the absence of the necessary quorum.

Eligibility.

131. A person shall not be capable of being appointed a Director if he has the disqualifications referred to in section 272 of the Act.

Directors vacating office.

132. (1) The office of a Director shall become vacant if;

- (a) he fails to obtain within the time specified sub section (1) of section 270 of the Act, or at any time thereafter ceases to hold, the share qualification, if any, required of him by the Articles;
- (b) he is found to be of unsound mind by a court of competent jurisdiction;
- (c) he applies to be adjudicated an insolvent;
- (d) he is adjudged an insolvent;
- (e) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;
- (f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by notification in the Official Gazette removes the disqualification incurred by such failure;
- (g) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
- (h) he, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director, accept a loan or any guarantee or security for a loan from the Company in contravention of section 295 of the Act;

- (i) he acts in contravention of section 299 of the Act;
- (j) he becomes disqualified by an order of court under section 203 of the Act;
- (k) he is removed in pursuance of section 284 of the Act;
- (l) having been appointed a Director by virtue of the holding any office or other employment in the Company; he ceases to hold such office or other employment in the Company; or
- (m) he resigns his office by notice in writing given to the Company.

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

- (a) for thirty days from the date of the adjudication, sentence or order;
- (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of, or
- (c) where within the seven days aforesaid any further appeal, or petition is preferred in respect of the adjudication, sentence conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

133. The Company may by ordinary resolution remove any Director (not being a Director appointed by the Central Government in pursuance of section 408 of the Act) in accordance with the provision of section 284 of the Act. A Director so removed shall not be re-appointed a Director by the Board of Directors.

Removal of Directors.

134. (1) Subject to the restrictions imposed by these Articles and by section 292, 293, 294, 297, 300, 314, 370 and 372 of the Act, no Director, Managing Director or other officer or employee of the Company shall be disqualified from his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, officer or employee shall be in any way interested, be avoided, nor shall the Director, Managing Director or any office or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director, Managing Director, or officer or employee holding that office or of the fiduciary relation thereby established,

Directors may contract with Company.

but the nature of his or their interest must be disclosed by him or them in accordance with and in the cases mentioned in section 299 of the Act where that section be applicable.

(2) In accordance with section 300 of the Act, no Director shall, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote.

Provided that the above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub-section (2) of section 300 of the Act.

A general notice such as is referred to in sub-section (3) of section 299 of the Act shall be sufficient disclosure under this Article as provided in that section.

Directors may be Directors of Companies promoted by the Company.

135. A Director, Managing Director, officer or employee of this Company may be, or become a director of any company promoted by this Company or in which it may be interested as a vendor, member or otherwise, and no such director shall be accountable for any benefits received as director or member of such company, except to the extent and under the circumstances as may be provided in the Act.

Duty of Directors etc. to make disclosure.

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

(2) Every Director of the Company and every person deemed to be a Director of the Company by virtue of sub-section (10) of section 307 of the Act and every other person referred to in sub-section (11) of section 307 of the Act shall give notice to the Company of such matters as may be necessary for the purpose of enabling the Company to comply with the provisions of that section and section 308 of the Act.

Directors etc. not to hold office or place of profit.

137. Any Director or other person referred to in section 314 of the Act may be appointed to or hold any office or place of profit under the Company in accordance with the provisions of section 314 of the Act.

Certain powers to be exercised by Board only at meetings.

138. The Board of Directors shall exercise the power referred to in section 292 of the Act, on behalf of the Company and the Board shall do so only by means of resolution passed at meetings of the Board. Provided that the Board may delegate the power therein referred to in the manner and to the extent and subject to the conditions or limitations therein referred to, to such persons including officers as are mentioned in the said section.

139. (1) The Board of Directors of the Company shall not, except with the consent of the Company in General Meeting:

Restrictions on powers of Board.

- (a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking;
- (b) remit, or give time for the repayment of any debt, due by a Director;
- (c) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in sub-clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- (d) borrow money, where the moneys to be borrowed, together with the moneys already borrowed by the company (apart from the 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;

Explanation: For the purpose of these provisions the expression "free reserve" shall include the amount to the credit of the following accounts;

- (1) Dividend equalisation (2) Machinery renewal
- (3) Machinery replacement (4) Development rebate
- (5) Special Depreciation (6) Post war rehabilitation
- (7) General reserve (8) Employees' welfare (9) Insurance Fund.

Due regard and compliance shall be observed in regard to matters dealt with by or in the explanations contained in Sub-section (1) of section 293 of the Act and in regard to the limitations on the powers of the Company contained in section 293A of the Act.

(2) Nothing contained in sub-clause (a) of clause (1) shall affect:

- (a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause, in good faith and after exercising due care and caution, or
- (b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.

(3) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) of clause (1) may attach such conditions to the permission as

may be specified in the resolution, including conditions regarding the use, disposal of investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its Capital except in accordance with the provisions contained in that behalf in the Act.

(4) No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (1) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

(5) Due regard shall be given to and compliance as regard disclosures in the Profit and Loss Account shall be observed as provided under section 293A of the Act.

Appointment  
of Sole selling  
agents.

140. (1) The appointment of a selling agent, the re-appointment of a selling agent and extension of the term of a selling agent shall be regulated in accordance with the provisions of section 294 of the Act and any Rules or Notifications issued by competent authority in accordance with that section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provision of the said section and such Rules or Notifications, if any, as may be applicable.

(2) The payment of any compensation to a selling agent shall be subject to the provisions of Section 294A of the Act.

Loans to  
Directors.

141. The provisions of section 295 of the Act shall be observed and complied with in cases of loans to or guarantee to or by or providing of any security in connection with a loan to or by persons and under the circumstances and cases mentioned in that section so far as the same may be applicable.

Board's sanction  
required for  
certain contracts  
in which  
Directors are  
interested.

142. Sanction of the Board of Directors shall be necessary in the cases and to the extent and in the manner required by section 297 of the Act and the Directors shall comply with the provisions of that section wherever applicable.

#### ROTATION OF DIRECTORS

Rotation of  
Directors.

143. Not less than two-third of the total number of Directors shall (a) be persons whose period of office is liable to determination by retirement of directors by rotation, and (b) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

The remaining Directors, shall in default of and subject to any regulations in the articles also be appointed by the Company in General meeting.

(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 amongst themselves, be determined by lot.

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

(4) (a) 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 day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

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

- (i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or
- (v) the proviso to sub-section (2) of section 263 of the Act is applicable to the case.

Explanation: In this Article and Article 146, the expression "Retiring Director" means a Director retiring by rotation.

144. (1) A person who is not retiring Director shall, in accordance with section 257 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of a Director at any General meeting, if he or some members 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 his candidature for the office of a Director or the intention of such member to propose him as a candidate for that office, as the case may be.

Right of persons other than retiring Directors to stand for directorship.

(2) The Company shall inform its members of the candidature of a person for the office of a Director or the intention of a member to propose such person as a candidate for that office not less than seven days before the meeting in the manner provided in sub-section (1A) of Section 257 of the Act.

145. Every person who is proposed as a candidate for the office of a Director of the Company shall sign and file with the Company and with the Registrar his consent in writing to act as a Director in accordance with the provisions of section 264 of the Act in so far as they may be applicable.

Consent of candidate for directorship.



## PROCEEDINGS OF DIRECTORS

- Meetings of Directors. 146. The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings and proceedings as they think fit. A meeting of the Board shall be held once at least in every three months as provided in section 285 of the Act.
- When meeting to be convened. 147. Any Director of the Company may at any time convene a meeting of the Directors.
- Director entitled to notice. 148. Notice of every meeting of the Board shall be given in writing to every Director for the time being in India and to every other Director at his usual address in India.
- Questions at Board meeting how decided. 149. Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.
- Who to preside meetings of the Board. 150. All meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Director the Chairman be not present at the time appointed for holding the same, then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.
- Quorum at Board meeting. 151. (1) The quorum at meetings of the Directors shall be that prescribed by section 287 of the Act.
- Quorum competent to exercise power. (2) A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations or the Articles for the time being vested in or exercisable by the Directors generally.
- (3) If a meeting of the Board could not be held for want of quorum, then, the meeting shall stand dissolved.
- Directors may appoint committee. 152. Subject to the provisions of the Act, the Directors may delegate all or any of their powers to Committees consisting of such member or members of their body as they think fit, and they may from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Directors, and subject thereto may regulate its own procedure.
- Resolution by circular. 153. Subject to the provisions of section 289 of the Act, a resolution passed without any meeting of Directors, or of a Committee of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or members of such Committee as aforesaid, for the time being in India, be as valid and effectual as a resolution duly passed at a meeting of the Directors or of such Committee called and held in accordance with the provisions of these Articles.

Provided that the resolution has been circulation in draft, together with the necessary papers, if any, to such Directors, or members of the Committee, then in India (not

being less in number than the quorum fixed for a meeting of the Board or the Committee as the case may be) and to all other Directors or members at their usual addresses in India or by majority of such of them, as are entitled to vote on the resolution.

154. Subject to the provisions of sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by the Articles.

Limit of  
Directors'  
number.

155. Subject to the provisions of section 260 of the Act, the Directors shall have power at any time to appoint any person as an additional Director to the Board but so that the total number of Directors shall not exceed the maximum number fixed by the Articles. Any Director so appointed shall hold office only upto the next Annual General Meeting of the Company and shall then be eligible for re-appointment.

Appointment of  
additional  
Directors.

156. Subject to the provisions of section 262 of the Act, the Directors shall have power at any time to appoint any person as a Director to fill a casual vacancy on the Board. Any Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if the office had not been vacated.

Appointment  
of Directors in  
casual vacancy.

157. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act be as valid as if every such person has been duly appointed and was qualified to be a Director.

Acts of Board or  
Committee valid  
notwithstanding  
defect of appointment.

158. The Directors shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with the Articles and section 193 of the Act.

Minutes of  
proceedings of  
the Board and the  
committee to  
be valid.

159. (1) The Directors shall cause to be kept at the registered office of the Company (a) a Register of the Directors, Managing Directors, Manager and Secretary of the Company containing the particulars required by section 303 of the Act; (b) a Register of Contracts with companies and firms in which the Directors are interested, containing the particulars required by section 301 of the Act; and (c) a Register of Directors' share-holding containing the particulars required by section 307 of the Act. They shall also cause to be kept other registers and indexes as required by the Act.

Register of  
Directors &  
Managing  
Director etc.

(2) The Company shall comply with the provisions of section 301, 303 and 307 and other sections of the Act with regard to inspection of registers and furnishing copies or extracts so far as the same be applicable to the Company.

Inspection  
of registers.

#### POWERS OF DIRECTORS

160. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers

General power  
of the  
Company vested  
in Directors.

and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do, and are not hereby or by the statute or otherwise directed) or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and any other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time, made by the Company in general meeting, provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Restrictions of certain sections of the Act to apply.

161. The restrictions contained in sections 292, 293, 294, 295, 297, 299, 300, 370, and 372 of the Act shall be observed in regard to matters therein mentioned so far as the same be applicable to the Company.

Specific power given to Directors.

162. Without prejudice to the general powers conferred by Article 161 and the other powers conferred by these presents and so as not in any way to limit any or all these powers it is hereby expressly declared that subject as aforesaid, the Directors 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) to pay and charge to the capital account of the company any interest lawfully payable thereout under the provisions of section 208 of the Act;
- (3) to purchase or otherwise acquire for the company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit;
- (4) to acquire by purchase, lease or in exchange or otherwise, lands, buildings, hereditaments, machinery, rights, privileges, or properties movable or immovable;
- (5) to erect, construct, enlarge, improve, alter, maintain, pull down, rebuild or reconstruct any buildings, factories, offices, workshops or other structures necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company.
- (6) to let, mortgage, charge, sell or otherwise dispose off, subject to the provisions of section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respect as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they think fit;
- (7) at their discretion to pay for any property rights or privileges acquired by or services rendered to the Company, either wholly or partially,

in cash or in shares, bonds, debentures, debenture-stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled Capital or not so charged;

- (8) to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
- (9) Subject to section 292 of the Act, to open accounts with any bank or bankers or with any company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
- (10) to secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid Capital for the time being or in such other manner as they may think fit;
- (11) to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof, as they think fit;
- (12) to accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
- (13) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;
- (14) 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 subject to the provisions

of section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company.

- (15) to refer, subject to the provisions of section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;
- (16) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (17) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of section 293 of the Act;
- (18) 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;
- (19) subject to the provisions of section 292, 293, 370 and 372 of the Act, to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments;
- (20) 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 they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
- (21) subject to such sanction as may be necessary under the Act or the Articles, to give to any Director, officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company;
- (22) to provide for the welfare of employees or ex-employees of the Company and the wives, widows, families, dependants, or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money,

pensions, allowances, gratuities, bonus or payments or by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contribution towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

- (23) to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public political or any other useful institutions, objects or purposes or for any exhibition;
- (24) to establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donation, gratuities, pensions, allowances or emoluments, to any person who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and the wives widows, families and dependents of any such persons, and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interest and well-being of the company or of any such other company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and to any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid;
- (25) before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund or Reserve Fund or Reserve Fund or Sinking Fund or any other Special Fund to meet contingencies or to repay redeemable preference shares, debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending, and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interest of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investment (subject to the restrictions imposed by sections 292 and 293 and other provisions of the Act) as the Directors may think fit, and from time to time, to deal with and vary such investments and dispose

of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company, notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption of redeemable preference shares, debentures or debenture stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such funds, interest at such rate as the Directors may think proper.

- (26) to appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, clerks, agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit and from time to time to provide for the management and transactions of the affairs of the Company in any specified locality in India in such manner as they think fit and the provision contained in clause (28) following shall be without prejudice to the general powers conferred by this clause;
- (27) to comply with the requirements of any local law which in their opinion, it shall be in the interests of the Company necessary or expedient to comply with;
- (28) at any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors think fit) be made in favour of any company or the members, directors, nominees, or managers of any company or the firm or otherwise in favour of any fluctuating body or persons whether nominated, directly or indirectly, by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorney as the

Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them;

- (29) subject to the provisions of the Act, generally and from time to time and at any time to authorise empower or delegate to (with or without powers of sub-delegation) any Director, officer or officers or employee for the time being of the Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any, as the Directors may think proper;
- (30) to enter into all such negotiations and contracts and rescind and vary all such contracts and to execute and do all such acts, deeds and things in the name and on behalf of the Company they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

#### MANAGING DIRECTORS

Power to appoint  
Managing  
Director.

163. (1) Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors of the Company, either for a fixed term not exceeding 5 (five) years at a time or without any limitation as to the period for which he or they is or are to hold such office, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

Will not be  
subject to  
retirement  
by rotation.

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

Remuneration  
of Managing  
Director.

(3) Subject to the provisions of sections 198, 309, 310 and 311 of the Act, the remuneration of a Managing Director shall (subject to the provisions of any contract between him and the Company) from time to time be fixed by the Company in general meeting or so far as the Act may allow, by the Directors, and may be by way of fixed salary or commission on dividends, profits or turnover of the Company or of any other company in which the Company is interested or by participation in any such profits, or by any or all of those modes.



(4) Subject to the provisions of the Act, the Directors may from time to time entrust to and confer upon a Managing Director, for the time being, such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors, in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Powers and  
duties of  
Managing  
Director.

All the provisions of this Article shall also apply to Whole-time Directors, if appointed by the Board of Directors.

#### SEAL

164. (1) The Directors shall provide a Common seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Directors or a Committee of the Directors previously given, and in presence of one Director at the least, who shall sign every instrument to which the Seal is affixed and every such instrument shall be counter signed by the Managing Director or such other officer or person as the Directors may from time to time resolve; provided that such counter-signatures shall not be necessary where the instrument is in favour of the Managing Director or the Managing Director is a party to it.

The Seal,  
its custody  
and use.

(2) The Company may exercise the powers conferred by section 50 of the Act and such powers shall accordingly be vested in the Directors.

Seals abroad.

#### INTEREST OUT OF CAPITAL

165. Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building 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 and subject to the conditions and restrictions provided by section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.

Payment of  
interest out  
of Capital.

#### DIVIDENDS

166. The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum and these articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid up on the shares held by them respectively.

Division of  
profits.

Dividend payable to registered holder.

Time for payment of dividend.

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

Dividends in proportion to amount paid up.

Company in General Meeting may declare dividends.

Power of Directors to limit dividends.

Dividend to be paid out of profits.

Directors' declaration as to net profits conclusive. Interim dividends.

Retention of dividend until completion of transfer under Article 55.

167. No dividend shall be paid by the Company in respect of any share except to the registered holder of such shares or to his order or to his banker.

168. Where a dividend has been declared by the Company it shall be paid within the period provided in section 207 of the Act.

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

170. The Company shall pay dividends in proportion to the amount paid up or credited up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article, shall be deemed to affect in any manner the operation of section 208 of the Act.

Provided always that any capital paid up on a share during the period in respect of which a dividend is declared shall, unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the Capital from time to time paid during such period on such share.

171. The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interest in the profits and may fix the time for payment.

172. No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.

173. Subject to the provisions of section 205 of the Act, no dividend shall be declared and paid for any financial year except out of profit of the Company or out of the moneys provided by the Central Government or State Government for payment of dividend in pursuance of any guarantee given by such Government and no dividends shall carry interest as against the Company. Nothing contained in this Article shall be deemed to affect in any manner the operation of section 208 of the Act.

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

175. The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

176. The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Clause entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

177. Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from or to the Company.

No member to receive dividend whilst indebted to the company and company's right to reimbursement therefrom.

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

Transferred shares must be registered.

179. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post of the registered address of the member or person entitled or in the case of joint-holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

Dividends how remitted.

180. All dividends unclaimed for one year after having been declared may be invested or otherwise used by the Directors for the benefit of the Company until claimed and all dividends unclaimed for till the claim thereof becomes barred \* by law may be forfeited by the Directors for the benefit of the Company. Provided however, the Directors may at any time, annul such forfeiture and pay any such dividend.

Unclaimed dividends.

181. There shall be no forfeiture of unclaimed dividends till the claim thereto becomes barred by law.

Forfeiture of unclaimed dividends.

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

Dividend and call together-set or allowed.

183. Subject to the provisions of section 205 of the Act and if and in so far as may not be prohibited by that section or any other provision of the Act, any general meeting sanctioning or declaring a dividend in terms of these Articles may direct payment of such dividend, wholly or in part, by the distribution of (a) partly or fully paid up shares, (b) debentures or debenture-stock, (c) any specific assets or property of the Company, or in any one or more of such ways and the Directors shall give effect to such direction and where any difficulty arises in regard to the distribution they may settle the same as they think expedient, and in particular may issue fractional certificate and may fix the value for distribution

Special provision in reference to dividend.

\* Underlined, Amended by a Special Resolution passed at Extra-Ordinary General Meeting held on 18th June 1979.

of such specific assets, or any part thereof and may determine that cash payment shall be made to any members upon the footing of the value so fixed, or that fractions of less value than Rupee one may be disregarded, in order to adjust the rights of the parties and may vest any such shares, debentures, debenture-stock or specific assets in trustees upon such trust for the persons entitled to the dividend as may seem expedient to the Directors. Where required the Directors shall comply with section 75 of the Act and the Directors may appoint any person to sign any contract thereby required on behalf of the persons entitled to the dividend and such appointment shall be effective.

#### CAPITALIZATION

Capitalization.

184. Subject to the provisions of the Act:

(1) any general meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company (including profits or surplus moneys arising from realisation of any capital assets of the Company) standing to the credit of the Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend or representing the premiums received on the issue of shares and standing to the credit of the share premium account be capitalized:

- (a) by the distribution among the holders of the shares of the Company or any of them on the footing that they become entitled thereto as capital in accordance with the respective rights and interests and in proportion to the amount paid or credited as paid thereon, of paid up shares, debentures or debenture-stock, bonds or other obligations of the Company, or
- (b) by crediting shares of the Company which may have been issued and are not fully paid up, in proportion to the amount paid or credited as paid thereon, respectively, with the whole or any part of the sums remaining unpaid thereon, and the Directors shall give effect to such resolution and apply such portion of the profits or Reserve Fund or any other Fund as may be required for the purpose of making payment in full or part for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed or (as the case may be) for the purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up, provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended, such distribution and payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

(2) for the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid

as they think expedient and in particular they may issue fractional certificates and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit and may make cash payments to any holders of shares on the footing of the value so fixed in order to adjust rights and may vest any shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for adjusting such rights as may seem expedient to the Directors. In cases where some of the shares of the Company are fully paid and others are partly paid, only such capitalization may be affected by the distribution of further shares in respect of the fully paid shares, by crediting the partly paid shares with the whole or part of the unpaid liability thereon, but so that as between the holders of the fully paid shares and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively. When deemed requisite a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the Company which have been issued prior to such capitalization and such appointment shall be effective.

#### ACCOUNTS

185. The provisions of sections 209 to 222 of the Act shall be complied with in so far as the same be applicable to the Company. Accounts.

186. (1) The Company shall, at the expense of the Company, cause proper books of accounts to be kept in accordance with the provisions of section 209 of the Act. Proper books of accounts to be kept.

(2) The books of accounts shall be kept at the registered office of the Company or such other place or places in India as the Directors think fit and shall be open to inspection by the Directors during business hours. Place of keeping books of accounts.

187. (1) The Directors shall lay before the Company at every Annual General Meeting held in pursuance of section 166 of the Act; Statement of accounts to be furnished to General Meeting.

(a) a Balance Sheet as at the end of the period specified in section 210 of the Act, and

(b) a Profit and Loss Account for the period

(2) The Profit and Loss Account shall relate to the period referred to in section 210 of the Act.

(3) The provisions of sections 211 to 215 of the Act shall be complied with whenever the same be applicable.

188. There shall be attached to every Balance Sheet laid before the Company in General Meeting a report of the Board of Directors which shall comply with the requirements of section 217 of the Act and of any other act, rules or notification as may be applicable. Directors' Report.

Balance Sheet and other documents to be sent to the address of every member.

189. A copy of the audited Balance Sheet and the Profit and Loss Account together with a copy of the auditors' report and a copy of every document required by law to be annexed or attached thereto as the case may be to the Balance Sheet shall, not less than twenty-one days before the date of the meeting at which the same are to be laid, be sent to every member of the Company and to every holder of debentures of the Company (not being debentures which ex facie are payable to the bearer thereof), to every trustee for the holders of debentures issued by the Company and to all persons other than such members, holders or trustees, being persons entitled to receive them, subject to the provisions of section 219 of the Act.

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

190. After the Balance Sheet and Profit and Loss Account have been laid before the Company at the Annual General Meeting, three copies thereof signed as may be required by the Act shall be filed with the Registrar in accordance with the provisions of section 220 of the Act.

#### AUDIT

Account to be audited.

191. The accounts of the Company shall be audited in accordance with the provisions of the Act.

Appointment and qualifications of auditors.

192. The Company shall appoint an auditor or auditors at each Annual General Meeting and the provisions of section 224 to 230 of the Act with regard to the appointment, remuneration, removal, qualification, disqualification powers and duties, audits of branch office and signature of audit report and reading and inspection of auditors' report shall apply so far as the same be applicable to the Company. The Company or the Directors may fix the remuneration of the auditor or auditors, as the Company or the Directors, as the case may be, may think fit, subject to any provisions of the Act in that behalf and may pay the same.

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

193. Every account when audited and approved by a general meeting shall be conclusive except as regards any error therein discovered within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected and henceforth shall be conclusive.

#### NOTICES

Service of Notice on Company.

194. A notice may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by post under a certificate of posting or by registered post or by leaving it at its registered office.

The term "Notice" in this and the following Articles shall include summons, notice, requisition, order or other legal process and any document.

Service of Notice on Registrar.

195. A notice may be served on the Registrar by sending it to him at his office by post under certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.

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

Service of Notice  
on members by  
Company.

(2) Where a 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, provided that, where a member has intimated to document, provided that, where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be affected unless it is sent in the manner intimated by the member; and

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

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

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

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

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

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

197. subject to the provisions of the Act, notice of every general meeting shall be given;

Persons entitled  
to notice of  
General Meeting.

- (i) to every member of the Company in the 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, under sub-clause (ii) of clause (2) of section 172 of the Act;
- (iii) to the auditor or auditors, in the manner authorised by section 53 of the Act in the case of any member or members of the Company.

Notice by  
Company and  
signature  
thereto.

198. Any notice given by the Company shall be signed by a Director, the Managing Director or by such officer as the Directors may appoint and the signatures thereto may be written, printed or lithographed.

Authentication  
of documents and  
proceedings.

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

#### WINDING UP

Distribution  
of assets.

200. Subject to the provisions of the Act, if the Company shall be wound up and the asset available for distribution among the members as such shall be less than sufficient 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 member in proportion to the capital paid-up, or which ought to have been paid-up at the commencement of the winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up or which ought to have been paid-up on the shares held by them respectively.

But this clause is to be without prejudice to the right of the holders of shares issued upon special terms and conditions.

Distribution in  
Specie or kind.

201. Subject to the provisions of the Act

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

(2) if thought, expedient, any such division may subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) 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 prejudiced



thereby shall have the right, if any, to dissent if such right be given by the Act.

(3) in case any shares to be divided as aforesaid involves 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 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.

202. Subject to the provisions of the Act, a special resolution sanctioning a sale to any other company duly passed, may, in like manner as aforesaid, determine that any shares or other consideration receivable by the liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.

Right of  
shareholders  
case of sale.

#### SECURITY CLAUSE

203. Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company without the permission of the Directors, to require discovery of or any information respecting any detail of the Company's business or training, or any other matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which in the opinion of the Directors, will be inexpedient in the interests of the members of the Company to communicate to the public.

Security  
clause.

#### INDEMNITY AND RESPONSIBILITY

204 (1) Subject to the provisions of section 201 of the Act, the Managing Director and every Director of the Company and every employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors, out of the funds of the Company, to pay all costs, losses and expenses (including travelling expenses) which such Managing Director, Director, Manager, Secretary and other officer or employee may incur or become liable to, by reason of any contract entered into or act or deed done by him as such Managing Director, Directors, Manager, Secretary, officer or servant or in any way in the discharge of his duties and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

Directors' and  
others right  
to indemnity.

(2) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted to him by the court.

205. Subject to the provisions of section 201 of the Act, no Director, Managing Director, or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any money, securities, or effect shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

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

Name of Subscriber	Address & Description	Number of Shares taken	Witness.
C.H. Hardcastle	Merchant & Engineer, Mufallal Park Warden Road Bombay.	One	Witness to all signatures A. Mendoza Head clerk Hardcastle Waud & Co. Ltd. Hornby Road. Bombay.
J.K. Rege	Merchant Raghav Wadi French Bridge Bombay.	One	
V.V. Dabholkar	Landlord 22 Laburnum Road, Gumdevi, Bombay.	One	

Dated the 12 day of October 1945.

The words and clauses in brackets [ ] were incorporated by Special Resolution passed on 14th July 1959 and confirmed by an order of the High court of judicature at Bombay dated the 8th day of February 1960.

3164 J  
199

(101) 11  
Ordinary Copy Rs. 18 x 75  
Additional Rs. 6500  
Total Rs. 2475

IN THE HIGH COURT OF JUDICATURE AT BOMBAY.

ORDINARY ORIGINAL CIVIL JURISDICTION.

COMPANY PETITION NO. 1121 OF 1999.

CONNECTED WITH

COMPANY APPLICATION NO. 486 OF 1999.

In the matter of Sections 391 and  
394 of the Companies Act, 1956  
(1 of 1956);

And

In the matter of Hardcastle &  
Waud Manufacturing Company Limited.

And

In the matter of a Scheme of  
Arrangement Between Hardcastle &  
Waud Manufacturing Company Limited  
and Vesna Agencies Private Limited.

Hardcastle and Waud Manufacturing  
Company Limited an existing Company  
within the meaning of the  
Companies Act, 1956 having its  
Registered Office at Netivani Baug;  
Kalyan 421 306. )  
Petitioner.

Coram: S.S. Nijjar J.  
Dated 13th December, 1999.

UPON the Petition of Hardcastle & Waud Manufacturing  
Company Limited, the Petitioner Company aforesaid presented  
to this Hon'ble Court on 13th day of October, 1999 for  
sanction of the Scheme of Arrangement between Hardcastle &  
Waud Manufacturing Company Limited (hereinafter referred to  
as "the Transferor Company or "the Petitioner Company")

and Vesna Agencies Private Limited (hereinafter referred to as "the Transferee Company") and for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the Petition and the Affidavit of Mr. O.P. Adukia, Executive Director of the Petitioner Company dated 13th day of October, 1999 verifying the said Petition AND UPON READING the Affidavit of Mr. Vivek P. Mahagishonkar, Clerk in the Office of the Advocates for the Petitioner Company dated 17th day of November, 1999 proving publication of the notice of the date of hearing of the Petition in the issue of "Free Press Journal" dated 8th day of November, 1999 and "Navshakti" dated 8th day of November, 1999 and also proving service of notice of <sup>hearing of the</sup> the Petition upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the Affidavit of Mr. O.P. Adukia, dated 17th day of November, 1999 proving despatch of notice of hearing of the Petition to the Creditors of the Petitioner Company AND UPON READING the Order dated 19th day of August, 1999 made by this Hon'ble Court in Company Application No. 426 of 1999 whereby the Transferor Company was directed to convene and hold the meeting of the Equity Shareholders of the Transferor Company for the purpose of considering and if thought fit, approving with or without modification the Scheme of Arrangement of the Transferor Company with the Transferee Company. And Meeting of the creditors of the Transferor Company was ~~also~~ dispensed with in

view of the undertaking given by the Transferor Company  
in para 17 of the Affidavit in support of the Company  
Application No.486 of 1999 to give notice of the date  
of hearing of the Petition to all the individual  
creditors or substantial majority thereof AND UPON  
READING the Affidavit of Mr.B.L.Jatia Director of the  
Petitioner Company dated 20th day of September, 1999  
proving publication of the notice convening meeting of  
Equity Shareholders in the issue of "Free Press Journal"  
dated 6th day of September 1999 and "Navshakti" dated  
6th day of September, 1999 and proving despatch of  
notice convening meeting upon individual Equity  
Shareholders AND UPON READING the Report of Mr.O.P.Adukia  
Chairman of the meeting of the Shareholders of the  
Petitioner Company dated 7th day of October, 1999 as  
to the results of the said meeting of Equity Shareholders  
AND UPON READING the Affidavit of Mr.O.P.Adukia dated  
7th day of October, 1999 verifying the said Report AND  
IT APPEARS from the said Report of the Chairman that  
the Scheme of Arrangement of the Transferor Company  
with the Transferee Company has been approved by a majority of  
Equity Shareholders representing more than 3/4 th in value and  
~~xxxxxx~~ present at the meeting and voting ~~xxxxxx~~  
~~xxxxxx~~ AND UPON HEARING Ms.A.Chone, Counsel  
instructed by M/s.Kangra & Co, Advocates for the  
Petitioner Company and Mr.R.P.Singh, Company Prosecutor  
for Regional Director, Department of Company Affairs,  
Maharashtra Mumbai who submits to the Order of the Court

and Mr. Munir Merchant instructed by Consulta Juris  
for ~~M/s.~~ Unitech Metals Ltd, one of the creditors and  
no other person or person entitled to appear at the  
hearing of the said Petition appearing this day  
either in support of the said petition or to show  
cause against the same THIS COURT DOTH HEREBY.

SANCTION the Scheme of Arrangement between Hardcastle  
& Waud Manufacturing Company Limited, the Transferor  
Company and Vesna Agencies Private Limited, the  
Transferee Company as set forth in Exhibit 'D' to the  
Petition and in the schedule hereto AND THIS COURT DOTH  
HEREBY DECLARE that the same shall be binding on the  
Petitioner Company, all the members of the Petitioner  
Company, and also on the Transferee Company AND THIS  
COURT DOTH ORDER that with effect from the 1st day of  
April 1999 (hereinafter referred to as the "Appointed

Date") the ~~xxxxxx~~ immovable properties of Hardcastle  
& Waud Manufacturing Company Limited but relating only to

its Sarigam Unit more particularly described in the  
Scheme of Arrangement shall without any further <sup>instrument</sup> act/or  
deed stand transferred to and vested in Vesna Agencies  
Private Limited, the Transferee Company <sup>as a going concern</sup> AND THIS COURT

DOTH FURTHER ORDER that with effect from the Appointed  
Date <sup>all</sup> the debts, liabilities, duties and obligations of

~~the~~ Hardcastle & Waud Manufacturing Company Limited but  
relating <sup>only</sup> to its Sarigam Unit shall without any further act  
or deed stand transferred to ~~the~~ Vesna Agencies Private

Limited, the Transferee Company so as to become the debts,  
liabilities, duties and obligations of ~~the~~ Vesna Agencies  
Private Limited, the Transferee Company AND THIS COURT

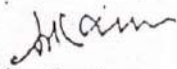
DOTH FURTHER ORDER that any legal proceedings pending by  
or against ~~the~~ Hardcastle & Waud Manufacturing Company

Limited but relating only to its Sarigam Unit shall be continued and enforced by or against Vesna Agencies Private Limited, the Transferee Company AND THIS COURT DOETH FURTHER ORDER that in consideration of transfer of the Sarigam Unit of the Transferor Company to the Transferee Company, the Transferee Company shall without any further act or deed and without any application or payment issue and allot to the Shareholders of the Transferor Company three(3) Equity Shares of Rs.10/- each credited as fully paid up of the Transferee Company for every five(5) Equity Shares of Rs.10/- each of the Transferor Company AND THIS COURT DOETH FURTHER ORDER THAT in view of the demerger and other related provisions of this Scheme and concurrently and as an integrally connected part of the Scheme and upon the coming into effect of this Scheme, with effect from the Appointed Date, the issued subscribed and paid-up capital of the Transferor Company shall be reduced by Rs.1,20,00,000 and such reduction shall be effected by reducing the paid up capital by rupee six per equity share of Rs.10 each of the Transferor Company which have been issued and outstanding simultaneously with the reduction of the share capital of ~~EX~~ the Transferor Company, five equity shares so reduced shall be consolidated into two equity shares of Rs.10 each AND THIS COURT DOETH FURTHER ORDER that the Transferor Company do within 30 days from the date of the sealing of this order cause a certified copy of this order to be delivered to the Registrar of Companies, Maharashtra, Mumbai for Registration and on such certified copy of the order being so delivered the Registrar of Companies, Maharashtra, Mumbai shall place all the files and documents relating to the Sarigam Unit of the Transferor Company and registered with him on the files kept by him in relation to the Transferee Company and the files relating to the Sarigam Unit of the Transferor Company and of the Transferee Company shall be consolidated

accordingly AND THIS COURT DOth FURTHER ORDER that the parties to the arrangement embodied in the Scheme of Arrangement sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary with regard to the working of the arrangement embodied in the Scheme of Arrangement sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOth LASTLY ORDER that the Transferor Company do pay a sum of Rs.1000/- (Rupees One thousand only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the Petition WITNESS SHRI YOGESH KUMAR SABHARWAL, Chief Justice at Bombay, aforesaid this 13th day of December, 1999.

BY THE COURT

  
for PROTHONOTARY & SENIOR MASTER

  
Seuler

Dated this 27<sup>th</sup> day of December, 1999

Order sanctioning the Scheme of Arrangement drawn on the Application of M/s. Kanga & Company, Advocates for the Petitioner Company having their office at Readymoney Mansion, 43, Veer Nariman Road, Mumbai, 400 021.

SCHEDULE



SCHEDULE  
SCHEME OF ARRANGEMENT  
Between

HARDCASTLE & WAUD MANUFACTURING COMPANY LIMITED  
Transferor Company

And

VESNA AGENCIES PRIVATE LIMITED  
Transferee Company

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

WHEREAS

(A) The Transferor Company is engaged in various businesses including manufacture, sale and distribution of various chemical products (including Powder Coatings). It has two manufacturing Units at Kalyan and at Sarigam (Dist. Valsad, Gujarat). The Sarigam Unit manufactures only Powder Coatings.

(B) This Scheme of Arrangement (hereinafter referred to as the "Scheme") which is a demerger provides for the transfer of the Sarigam Unit (defined hereinafter as the "Sarigam Unit") of the Transferor Company to the Transferee Company, and in consideration thereof issue of equity shares by the Transferee Company to the shareholders of the Transferor Company on a proportionate basis, pursuant to section 394 and other relevant provisions of the Companies Act, 1956.

(C) The Scheme also makes provisions for various other matters consequential or related thereto and otherwise integrally connected therewith including reorganisation of capital of the Transferor Company.

SCHEME  
PART I - GENERAL

1. Definitions

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- (A) "Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof.  
(B) "Appointed Date" means April 1, 1999.

number, 1999

(C) "Sarigam Unit" means the undertaking of the Transferor Company comprising the Sarigam Unit being and situate at G.I.D.C Sarigam In District Valsad (Gujarat) and shall in relation to the aforesaid unit mean and include (without limitation):

- (a) all assets wherever situate, whether movable or immovable, tangible or intangible, including any plant and machinery, buildings, offices, furnitures, fixtures, office equipment, appliances, accessories together with all present and future liabilities/debts (including contingent liabilities) appertaining to or relating thereto;
- (b) all permits, quotas, rights, entitlements, industrial and other licences, approvals, consents, municipal permissions, collaborations, tenancies in relation to trade marks residential properties for the employees, offices, goodwill, intellectual property, investments, cash balances, the benefit of any deposits, financial assets, funds belonging to or proposed to be utilised for the Sarigam Unit, bank balances, bank accounts, privileges, all other rights and benefits, licences, incentives including Capital Subsidy and Interest free Sales Tax Loans, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, facilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Sarigam Unit;
- (c) all earnest moneys and/or security deposits paid or received by the Transferor Company in connection with or relating to the Sarigam Unit; and
- (d) all necessary records, files, papers, engineering and process information, computer programmes, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records in connection with or relating to the Sarigam Unit;

but shall not include the respective assets and liabilities of the Sarigam Depot (also situated at Sarigam) of the Transferor Company which shall continue to belong to and vest in the Transferor Company.

- (D) "Effective Date" means the date on which all the conditions and matters referred in Clause 3, hereof have been fulfilled and approvals and consents referred to therein have been obtained. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date;
- (E) "Transferee Company" means Vesna Agencies Private Limited, a company incorporated under the Act and having its registered office at Hardcastle & Waud Compound, Nellival Bag, Kalyan - 421 306;
- (G) "Transferor Company" means Hardcastle & Waud Manufacturing Company Limited, an existing Company within the meaning of the Act and having its registered office at Nellival Bag, Kalyan - 421 306.
- (H) "Record Date" means the date to be fixed by the Board of Directors or a committee thereof of the Transferor Company for purpose of determining the members of the Transferor Company to whom shares will be allotted pursuant to this Scheme;
- (I) "Remaining Business" means all the business of the Transferor Company other than the Sargam Unit; and
- (J) "Scheme" means this Scheme of Arrangement.

## 2. SHARE CAPITAL.

- (a) The Share Capital structure of the Transferor Company as on March 31, 1999 was as follows:

Rupees	
Authorised:	
50,00,000 Equity Shares of Rs 10 each	5,00,00,000
Issued, Subscribed and Paid up:	
20,00,000 Equity Shares of Rs 10 each, fully paid up	<u>2,00,00,000</u>

- (b) The Share Capital structure of the Transferee Company as on March 31, 1999 was as follows:

Authorised:	
700 Equity Shares of Rs 100 each	70,000
300 11% Non-cumulative Redeemable Preference Shares of Rs 100 each	<u>30,000</u>
	<u>1,00,000</u>

Issued, Subscribed & Paid Up: 200  
 2 Equity Shares of Rs 100 each fully paid up. 200

Pursuant to alteration to the Memorandum and Articles of Association of the Transferee Company made by its members on 12<sup>th</sup> July 1999, the shares have been sub-divided into shares of Rs 10 each and consequently its Share Capital Structure is now as follows -

Authorised:

7000 Equity Shares of Rs 10 each. 70,000  
 3000 11% Non-cumulative Redeemable Preference Shares of Rs 10 each. 30,000  
 100,000

Issued, Subscribed & Paid Up:

20 Equity Shares of Rs 10 each fully paid up 200  
 200

#### PART II - SARIGAM UNIT

3. (a) With effect from the Appointed Date, all the assets, rights, title and interest including accretions and appurtenances of the Sarigam Unit at their closing book values as on March 31, 1999 shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(2) of the Act, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the assets, rights, title and interest of the Transferee Company.
- (b) In respect of such of the assets of the Sarigam Unit, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, payment or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company as an integral part of the unit. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Boards of Directors of the Transferor Company and the Transferee Company within thirty days from the date of the order of the Bombay High Court sanctioning this Scheme.

- (d) In respect of such of the assets belonging to the Sarigam Unit other than those referred to in sub-clause (b) above, the same shall, as more particularly provided in sub-clause (a) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act.
  - (d) All assets acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for operations of the Sarigam Unit shall also stand transferred to and vested in the Transferee Company, upon the coming into effect of the Scheme.
4. (a) Upon the coming into effect of the Scheme, the following liabilities and obligations of the Transferor Company as on the Appointed Date, shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the Effective Date shall, without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall undertake to meet, discharge and satisfy the same:
- i) the liabilities which arose out of the activities of the Sarigam Unit; and
  - ii) such of the general or multipurpose borrowings of the Transferor Company as identified by the Board of Directors of the Transferor Company and which in the aggregate stand in the same proportion which the value of the assets transferred to the Transferee Company bears to the value of assets of the Transferor Company on the Appointed Date.
- (b) Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective date, such discharge shall be deemed to have been for and on account of the Transferee Company and all loans raised and used and all

Liabilities and obligations incurred by the Transferor Company for the operations of the Sarigam Unit after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall undertake to meet, discharge and satisfy the same.

- (c) The transfer of the general or multipurpose borrowings in terms of sub-clause (a)(ii) above shall be without prejudice to any agreements or arrangements including in respect of security entered into between the Transferor Company and the lenders existing on the Appointed Date which shall continue in full force notwithstanding that the liability for repayment of principal and payment of interest is taken over by the Transferee Company. The Transferor Company shall make repayments of such principal amounts and payments of interest thereon on behalf of the Transferee Company, and the Transferee Company shall be under obligation to place the Transferor Company in funds at the relevant time so as to enable the Transferor Company to make payment to the lenders.
  - (d) It is clarified that all debts, liabilities, duties and obligations of the Transferor Company relating to the Sarigam Unit as on the close of business on 31<sup>st</sup> March 1999, whether provided for or not in the books of accounts of the Transferor Company and all other liabilities relating to the Sarigam Unit which may accrue or arise after 31<sup>st</sup> March 1999, but which relate to the period upto 31<sup>st</sup> March, 1999 shall be the debts, liabilities, duties and obligations of the Transferee Company.
5. (a) All the assets and liabilities of the Sarigam Unit shall be transferred at the values appearing in the books of the Transferor Company immediately before the demerger which are set forth in the closing balance sheet relating to the Sarigam Unit as on March 31, 1999 attached hereto as Schedule A.
  - (b) The Capital Subsidy Reserve of Rs 19,52,000 appearing in the books of the Transferor Company shall be transferred to the Transferee Company.

6. (a) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, collaborations, schemes, arrangements and other instruments of whatsoever nature in relation to the Sarigam Unit to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- (b) The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
7. (a) The Transferee Company undertakes to engage, on and from the Effective Date, all employees of the Transferor Company relating to and/or necessary for the Sarigam Unit or necessary for the Transferee Company to independently carry on its business, and which employees are in the employment of the Transferor Company as on the Effective Date (the "Transferred Employees") on the same terms and conditions on which they are engaged by the Transferor Company, without any interruption of service as a result of the demerger. The Transferee Company undertakes to continue to abide by any agreement/settlement entered into by the

Transferor Company in respect of the Sarigam Unit with any union/employee of the Transferor Company being the Transferred Employees. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the Transferred Employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

- (b) In so far as the existing gratuity fund trust created by the Transferor Company for its employees (including the Transferred Employees) is concerned, the part of the fund referable to the Transferred Employees shall be continued for the benefit of the Transferred Employees pursuant to this Scheme in the manner provided hereinafter. The Transferee Company shall have the obligation to take all necessary steps to set up its own fund as soon as practicable. In the event that the Transferee Company has set up its own fund (similar to the fund of the Transferor Company referred to above), the amount in such fund in respect of contributions pertaining to the Transferred Employees of the Sarigam Unit shall, subject to the necessary approvals and permissions, if any, be transferred to the relevant fund of the Transferee Company. Until such time that the Transferee Company creates its own fund, the Transferee Company may, subject to necessary approvals and permissions, if any, continue to contribute in respect of the Transferred Employees to the relevant fund of the Transferor Company. At the time that the Transferee Company creates its own fund, the contributions pertaining to the Transferred Employees shall be transferred to the fund created by the Transferee Company.
8. (a) Upon the coming into effect of the Scheme, all legal or other proceedings by or against the Transferor Company under any statute and as agreed between the Transferor Company and the Transferee Company, whether pending on the Appointed Date or which may be instituted in future (whether before or after the Effective Date) in respect of any matter arising before the Effective Date and relating to the Sarigam Unit shall be continued and enforced by or against the Transferee Company after the Effective Date.



- (b) If proceedings are taken against the Transferor Company in respect of the matters referred to in sub-clause (a) above, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
  - (c) The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
9. With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company:
- (a) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Sarigam Unit and stand possessed of all the estates, assets, rights, title and interest of the Sarigam Unit for and on account of, and in trust for, the Transferee Company;
  - (b) all profits accruing to the Transferor Company, or losses arising or incurred by it (including the effect of taxes, if any, thereon), relating to the Sarigam Unit shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company.
10. The Transferor Company hereby undertakes that it will from the Appointed Date up to and including the Effective Date preserve and carry on the Sarigam Unit with diligence, prudence and agrees that it will not, without the prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose of the Sarigam Unit or any part thereof or recruit new employees (in each case except in the ordinary course of business) or conclude settlements with union or employees or undertake substantial expansion of the Sarigam Unit, other than expansions which have already been commenced.

11. The transfer and vesting of the assets, liabilities and obligations of the Sarigam Unit under Clause 3 & 4 and the continuance of the proceedings by or against the Transferee Company under Clause 8 hereof shall not affect any transactions or proceedings already completed by the Transferor Company on and after the Appointed Date to the end and intent that, subject to Clause 10, the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

#### PART III - REMAINING BUSINESS

12. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.
13. All legal or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company.
14. With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company:
  - (a) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf;
  - (b) all profits accruing to the Transferor Company thereon or losses arising or incurred by it (including the effect of taxes (including advance taxes paid), if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferor Company.

#### PART IV - REORGANISATION OF CAPITAL

The provisions of this Part shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.

SECTION "A"

15. In view of the demerger, and as an integral part of the Scheme, the capital of the Transferor Company and the Transferee Company shall be restructured and reorganised in the manner set out in Section "B" below.

SECTION "B"

16. (a) Upon the coming into effect of the Scheme and as consideration for the demerger of the Saigam Unit, including the transfer and vesting thereof in the Transferee Company pursuant to Part II of the Scheme, the Transferee Company shall, without any further act or deed and without any further application and/or payment, issue and allot on a proportionate basis to each member of the Transferor Company whose name is recorded in the Register of Members of the Transferor Company on the Record Date, in the ratio (the "Entitlement Ratio") of three Equity Shares in the Transferee Company of Rs 10 each credited as fully paid-up for every five Equity Shares of Rs 10 each held by such member in the Transferor Company.
- (b) In view of the demerger and other related provisions of this Scheme and concurrently and as an integrally connected part of the Scheme and upon the coming into effect of this Scheme, with effect from the Appointed Date, the issued, subscribed and paid-up capital of the Transferor Company shall be reduced by Rs 1,20,00,000 and such reduction shall be effected by reducing the paid-up capital by rupee six per equity share of Rs 10 each of the Transferor Company, which have been issued and are outstanding. Simultaneously with the reduction of the Share Capital of the Transferor Company, five equity shares so reduced shall be consolidated into two equity shares of Rs 10 each.
17. (a) The members of the Transferor Company whose names are registered on the Register of Members of the Transferor Company as on the Record Date, shall for the sake of convenience, upon the Scheme becoming effective and upon being so notified, surrender their share certificates in the Transferor Company to the Transferor Company which shall deliver to such member the shares in the Transferor Company and the Transferee Company to which they will be entitled in terms of Clause 15 of this

Scheme after allotment/reorganisation, in the event that the Transferor Company has not received by such date as may be determined by the Board of Directors of the Transferor Company any of the share certificates that are to be surrendered, then the said share certificates shall be deemed to have been cancelled and shall cease to exist.

- (b) In case any member's shareholding in the Transferor Company is such that such member becomes entitled to a fraction of one share of the Transferor Company on such consolidation as mentioned in Clause 16 (b) above, the Transferor Company shall not issue fractional share certificates(s)/ entitlements to such member but shall consolidate the fractions and issue the consolidated shares to a trustee nominated by the Board of Directors of the Transferor Company in that behalf who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to such members in proportion to their respective fractional entitlements.
  - (c) Notwithstanding the reduction of capital of the Transferor Company, the Transferor Company shall not be required to add "And Reduced" as suffix to its name and the Transferor Company shall continue in its old name.
18. In case any member's holding in the Transferor Company is such that the member becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional share certificates to such member but shall consolidate such fractions and issue the consolidated shares to a trustee nominated by the Board of Directors of the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to such members in proportion to their respective fractional entitlements.
19. Such equity shares to be issued and allotted by the Transferee Company in terms of Clause 16 (a) above shall rank pari passu in all respects with the existing equity shares of the Transferee Company, save and except in relation to dividends to which they will be entitled from the Appointed Date...
20. The Transferee Company shall apply for listing of the Equity Shares of the Transferee Company issued in terms of Clause 16(a) above on the relevant Stock Exchange.
21. Unless otherwise determined by the Board of Directors or any committee thereof of the Transferor Company and the Board of Directors of the Transferee Company, allotment of shares in terms of Clause 16(a) of this part shall be done within 90 days from the Effective Date.

GENERAL TERMS & CONDITIONS

22. (a) Transferor Company

Upon the coming into effect of this Scheme, an amount representing the difference of the aggregate of the values of the liabilities of the Sarigam Unit being transferred to the Transferee Company in terms of Clause 4, the Capital Subsidy Reserve being transferred to the Transferee Company under Clause 5(b) and the amount representing the reduction in share capital described in Clause 16(b) over the amount representing the assets being transferred in terms of Clause 3(a) of this Scheme shall be credited or debited to the General Reserve Account as the case may be.

(b) Transferee Company

Upon the coming into effect of this Scheme, an amount representing the excess of the aggregate of the values of the liabilities of the Sarigam Unit of the Transferor Company being taken over by the Transferee Company, the Capital Subsidy Reserve being transferred to the Transferee Company and the face value of the shares issued by the Transferee Company to the members of the Transferor Company over the amount representing the assets being transferred to the Transferee Company shall be debited to Goodwill Account.

In the event, there is a shortfall, the amount of difference shall be credited to General Reserve Account.

23. (a) The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective members in respect of the accounting period prior to the Effective date.

(b) The equity shares of the Transferee Company to be issued and allotted to the equity members of the Transferor Company as provided in Clause 16(a) hereof shall be entitled to dividends from the Appointed Date. The holders of the shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under

their respective Articles of Association including the right to receive dividends.

- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject to the approval of the members of the Transferor Company and the Transferee Company respectively.
24. The issue and allotment of the shares under the provisions of this Scheme to the non-resident shareholders will be made subject to the approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973 or other relevant authority and on such terms and in such manner as such authorities may impose.
25. The Transferor Company and the Transferee Company shall make necessary applications before the High Court of Bombay for the sanction of this Scheme of Arrangement under Sections 391 and 394 of the Act.
26. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any committee thereof of the Transferor Company at its sole discretion shall be empowered in appropriate cases, even subsequent to the Record Date or the Effective Date as the case may be, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the new shares after the Scheme becomes effective. The Board of Directors of the Transferor Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.
27. (a) Upon the Scheme coming into effect, the Transferee Company shall automatically and without further act or deed be converted into a public limited company, and the restrictions contained in Article 2 of the Articles of Association

of the Transferee Company shall without further act or deed be deleted.

(b) Upon the Scheme coming into effect, and pursuant to the provisions of Section 21 of the Act, the name of the Transferee Company shall be changed to 'Hawcoplast Chemicals Limited'.

28. The Capital Clause (V) of the Memorandum of Association of the Transferee Company shall, upon the Scheme coming into effect and without any further act or deed, be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs 1,50,00,000 (Rupees One Crore Fifty Lacs only) divided into 14,97,000 (Fourteen Lacs Ninety Seven Thousand) Equity Shares of Rs 10 (Rupees Ten) each and 3000 (Three Thousand) Eleven Per cent Non-Cumulative Redeemable Preference Shares of Rs 10 (Rupees Ten) each. The Company has power from time to time to increase or reduce its capital and to divide/sub-divide the shares in the Capital for the time being into other classes and to attach thereto such preferential, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or restrict in such manner as may for the time being be permitted by the Articles of Association of the Company or the statutory provisions for the time being in force in that behalf."

29. (a) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), either by themselves or through a committee appointed by them in this behalf, may, in their full absolute discretion, make and/or assent to any alteration or modification to this Scheme, including but not limited to those which the Court and/or any other Authority may deem fit to approve or impose.

(b) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), either by themselves or through a committee appointed by them in this behalf, may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof, in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors of the respective companies) or to review the position relating to the

satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law).

- (c) Any issue as to whether any asset or liability pertains to the Sarigam Unit or not shall be decided by the Boards of Directors of the Transferor Company and the Transferee Company, either by themselves or through a committee appointed by them in this behalf, on the basis of evidence that may seem

relevant for the purpose (including the books and records of the Transferor Company).

30. The Scheme is conditional upon and subject to:

- (a) The Scheme being agreed to by the requisite majority of members of the Transferor Company and the Transferee Company as required under the Act and the requisite orders of the High Court of Bombay referred to in Clause 25 hereof being obtained;

- (b) such other sanctions and approvals as may be required by law or contract in respect of the Scheme being obtained; and

- (c) the certified copies of the court orders referred to in this Scheme in respect of the Transferor Company and the Transferee Company being filed with the Registrar of Companies, Maharashtra.

31. In the event of this Scheme failing to take effect finally by December 31, 1999 or by such later date as may be agreed by the respective Boards of Directors of the Transferor Company and the Transferee Company, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case the Transferor Company shall bear all related costs.

32. In the event of non-fulfilment of any or all obligations under the Scheme by any Company towards the other Company, inter-se or to third parties and non-performance of which will put the other Company under any obligation, then such Company will indemnify all costs/interest, etc. to the other company.



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33. If any part of this Scheme is found to be unworkable for any reason whatsoever, in the sole discretion of the Transferor Company and the Transferee Company either by the Board of Directors or through committee appointed by them in this behalf, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

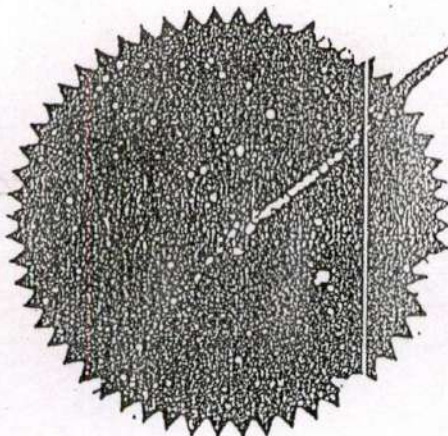
34. All past, present and future costs, charges, levies, duties (including any stamp duty) and expenses in relation to or in connection with or incidental to this Scheme or the implementation thereof (including in relation to the issue of shares by the Transferee Company and all matters related and also including in relation to the transfer of the Sarigam Unit) shall be borne and paid for by the Transferee Company.

SCHEDULE A

Closing Balance Sheet of Sarigam Unit as on March 31, 1999

Rupees	
<b>ASSETS</b>	
Fixed Assets:	
Gross Block	23,914,520
Less: Depreciation	12,441,588
Net Block	11,472,932
Current Assets:	
- Inventories	33,374,932
- Sundry Debtors	4,841,615
- Cash & Bank Balances	50,193
- Loans & Advances	427,163
Total Current Assets:	<u>38,693,903</u>
TOTAL	<u>50,166,835</u>
<b>LIABILITIES</b>	
Loan Funds	4,731,954
Current Liabilities & Provisions	11,599,254
Other Liabilities	19,944,382
Shareholders' Funds:	<u>13,891,245</u>
TOTAL	<u>50,166,835</u>

Note: Other liabilities represent so much of the amounts of general or multipurpose borrowings of the Transferor Company, as stand in the same proportion which the value of assets transferred of the Sarigam Unit bears to the total value of the assets (fixed assets and current assets) of the Transferor Company immediately before the demerger.



CEITIN-VAS TO 22 11 2001 1999  
 P.L. 2/1/1-22 2 DEC 1997

for Frothcoming Ltd. Leader Name

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
 ORDINARY ORIGINAL CIVIL JURISDICTION  
 COMPANY PETITION NO. 1121 OF 1999  
 CONNECTED WITH  
 COMPANY APPLICATION NO. 486 OF 1999.

In the matter of Sections 391  
 and 394 of the Companies Act,  
 1956(1 of 1956);

And

In the matter of Hardcastle  
 & Waud Manufacturing Company  
 Limited.

And

In the matter of a Scheme of  
 Arrangement Between Hardcastle  
 & Waud Manufacturing Company  
 Limited And Vesna Agencies  
 Private Limited.

Hardcastle and Waud  
 Manufacturing Company Ltd. Petitioner

CERTIFIED COPY OF

ORDER SANCTIONING THE SCHEME OF  
ARRANGEMENT

Dated this 13th day of December, 1999  
 Filed this 27th day of December, 1999

F.C. paid on 28/11/99  
 20/11/99  
 Applied on.....  
 Expressed on 28/11/99.....  
 Received by.....  
 25 pieces  
 Delivered by.....  
 Received by.....  
 Ready on.....  
 Delivered on.....

Express on 18-12-99.....  
 Expressed on 22-12-99.....  
 Received by.....  
 Delivered by.....  
 Ready on 27-12-99.....  
 Delivered on.....

Messrs. Kanga and Company  
 Advocate for the Petitioner,  
 Readybney Mansion,  
 23, Veer Nariman Road,  
 Fort, Mumbai 400 001.

8642/03

(6819)

M/s Kenge & Co  
: and Copy Rs. : 4:50  
Additional Rs. : 6:00  
Total Rs. = 10:50

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.614 OF 2002

CONNECTED WITH

COMPANY APPLICATION NO. 217 OF 2002

In the matter of Section 391 of the  
Companies Act, 1956;

AND

In the matter of the Scheme of  
Arrangement between Hardcastle  
and Waud Manufacturing Company  
Limited and a class of Shareholders  
of Hardcastle and Waud  
Manufacturing Company Limited;

Hardcastle and Waud Manufacturing	)	
Company Limited, an existing Company	)	
within the meaning of the Companies	)	
Act, 1956 and having its Registered	)	
Office at Netivli Baug,	)	
Kalyan-421306, Maharashtra.	)	.....Petitioner

Coram: D. K. Deshmukh J.

Date : 28<sup>th</sup> February, 2003

Upon the Petition of Hardcastle and Waud Manufacturing Company Limited, the Petitioner Company abovenamed presented to this Hon'ble Court on 13<sup>th</sup> day of June, 2002 for sanction of the arrangement embodied in the Scheme of Arrangement between Hardcastle and Waud Manufacturing Company Limited (hereinafter referred to as the "Petitioner Company") and a class of Equity Shareholders of the Petitioner Company and for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for

further hearing AND UPON READING the said Petition and the Affidavit of Mr. Peter Fernandes, Company Secretary, of the Petitioner Company sworn on the 13<sup>th</sup> day of June, 2002 verifying the said Petition AND UPON READING the Order dated 5<sup>th</sup> September, 2002 read with Order dated 21<sup>st</sup> October, 2002 sanctioning the arrangement embodied in the Scheme of Arrangement AND UPON READING the Affidavit of Mr. Peter Fernandes, Company Secretary of the Petitioner Company dated 25<sup>th</sup> day of February, 2003 seeking reliefs in terms of prayers (e) and (h) of the Petition and stating that subsequent to the approval of the Scheme of Arrangement, the class of Equity Shareholders exercised their option under the Scheme as a result of which 1,88,026 Equity Shares were liable for cancellation and the Petitioner Company at the meeting of its Board of Directors held on 27<sup>th</sup> January, 2003 has cancelled the said 1,88,026 Equity Shares pursuant to clause 5.4 of the Scheme of Arrangement and in view of the same the Petitioner Company prayed for approval of Minutes for reduction of Share Capital and the Share Premium Account AND UPON HEARING Ms. Srikrishna, Counsel instructed by Messrs Kanga and Company And Mr. D.A. Dube, Panel Counsel instructed by Mr. T. C. Kaushik for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND no other person or persons entitled to appear at the hearing of the above Application appearing this day either in support of the said Application or to show cause against the same THIS COURT DOTH ORDER that the Minutes set forth in Exhibit "B-1" to the Affidavit of Mr. Peter Fernandes dated 25<sup>th</sup> February, 2003 relating to the reduction in the Issued, Subscribed and Paid up Share Capital of the Petitioner Company and set out in the Schedule I hereto and the Minute set forth in Exhibit "B-2" to the Affidavit of Mr. Peter Fernandes dated 25<sup>th</sup> February, 2003 relating to the reduction in the Share Premium Account of the Petitioner Company and set out in Schedule II hereto are hereby approved AND THIS COURT DOTH FURTHER ORDER that Petitioner Company shall within 30 days from the date of sealing of this Order cause a certified copy of this Order including the Minutes

as approved be delivered to the Registrar of Companies, Maharashtra at Belapur for registration under Section 103 of the Companies Act, 1956 AND THIS COURT DOTH LASTLY ORDER that the notice of the registration of this Order and of the said Minutes be published in the Free Press Journal in English and Navshakti in Marathi both having circulation in Mumbai within 14 days of the Registration aforesaid and that publication in the Maharashtra Government Gazette is dispensed with. . . WITNESS SHRI CHUNILAL KARSONDAS THAKKER, the Chief Justice at Bombay aforesaid this 28<sup>th</sup> day of February, 2003.

By the Court, ,

For Prothonotary and Senior Master.

Sealer

Dated this 24<sup>th</sup> day of March 2003.

Order approving the reduction of Share )  
Capital and Share Premium Account of the )  
Petitioner Company drawn on the )  
Application of M/s.Kanga and Company, )  
Advocates for the Petitioner Company )  
having their office at Readymoney Mansion )  
43, Veer Nariman Road, Fort, )  
Mumbai - 400 001. )

SCHEDULES I & II

SCHEDULE I

FORM OF MINUTE

SHARE CAPITAL

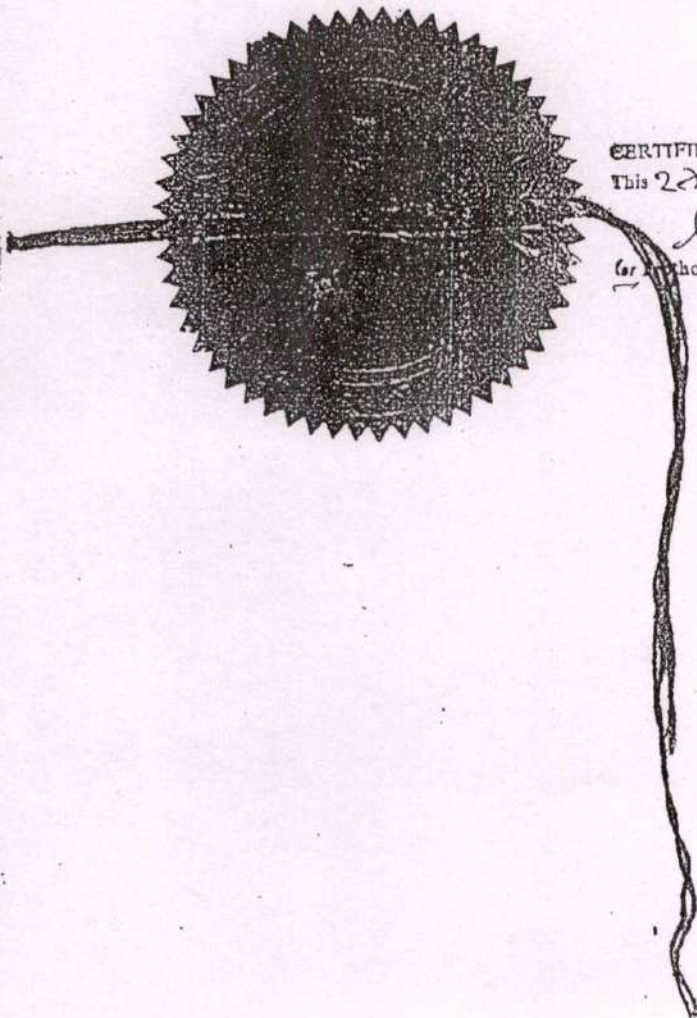
The authorised capital of Hardcastle And Waud Manufacturing Company Limited is Rs.5,00,00,000/- (Rupees Five Crores) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each. At the date of the registration of this Minute, the issued, subscribed and paid-up share capital of Hardcastle And Waud Manufacturing Company Limited is Rs.61,19,740/- (Rupees Sixty One Lakhs Nineteen Thousand Seven Hundred and Forty) divided into 6,11,974 (Six Lakhs Eleven Thousand Nine Hundred and Seventy Four) Equity Shares of Rs.10/- (Rupees Ten) each, reduced from the existing issued, subscribed and paid-up share capital of Rs.80,00,000/- (Rupees Eighty Lakhs) divided into of 8,00,000 (Eight Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each. At the date of registration of this Minute, 6,11,974 (Six Lakhs Eleven Thousand Nine Hundred and Seventy Four) Equity Shares of Rs.10/- (Rupees Ten) each have been issued and are deemed to be fully paid, and the remaining 43,88,026 (Forty Three Lakhs Eighty Eight Thousand and Twenty Six) Equity Shares of Rs.10/- (Rupees Ten) each are unissued.

SCHEDULE II

FORM OF MINUTE

SHARE PREMIUM

The Share Premium Account of Hardcastle And Waud Manufacturing Company Limited is reduced by Rs.12,22,169/- (Rupees Twelve Lakhs Twenty Two Thousand One Hundred Sixty Nine) and accordingly, reduced to Rs. 45,27,831/- (Rupees Forty Five Lakhs Twenty Seven Thousand Eight Hundred and Thirty One) from Rs.57,50,000/- (Rupees Fifty Seven Lakhs Fifty Thousand).



CERTIFIED TO BE A TRUE COPY  
This 27<sup>th</sup> day of March 2003

*[Signature]*  
(or) Honorary and General Manager