

(THE COMPANIES ACT, 2013)  
(COMPANY LIMITED BY SHARES)  
**ARTICLES OF ASSOCIATION**  
OF  
**CHL LIMITED**  
**INTERPRETATION**

1. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.
2. In these Articles:-
  - (a) "The Act" means the Companies Act 2013;
  - (b) "The Articles" or "These Articles" means the Articles of Association for the time being of the company;
  - (c) "The company" means **CHL LIMITED**;
  - (d) "The Board" or "The Board of Directors" means a meeting of the Directors duly called and constituted or as the case may be, the directors assembled at a Board or the requisite number of Directors entitled to pass a Resolution by circulation in accordance with these Articles;
  - (e) "Debenture" includes debenture stock;
  - (f) "Month" means a calendar month;
  - (g) "Directors" means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board;
  - (h) "Dividend" includes bonus;
  - (i) "Person" includes body corporate, firm, association of persons and society registered under the Societies Registration Act;
  - (j) "Proxy" includes Attorney duly constituted under a Power of Attorney;
  - (k) "The Seal" means the Common Seal for the time being of the Company;
  - (l) "In writing" and "written" include printing, lithography and any other modes of representing or reproducing words in a visible form;
  - (m) "The Office" means the Registered Office for the time being of the Company.
3. In these Articles, words importing singular number shall include the plural number and vice-versa and words importing masculine gender shall include feminine gender.
4. The regulations contained in Table "F" of the Schedule I of the Act shall not apply to the Company, except in so far as they are embodied in these Articles.

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The entire previous Articles were replaced and substituted by the present Articles as approved by the shareholders in 35<sup>th</sup> Annual General Meeting of the Company held on 29.09.2014.

**SHARE CAPITAL AND VARIATION OF RIGHTS**

5. The Authorised Share Capital of the Company shall be the same as contained in Clause V of the Memorandum of Association of the Company.
6. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
7. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided—
  - (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
8. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
9. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
10. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent of the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
11. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
13. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### LIEN

14. (i) The company shall have a first and paramount lien—
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
- Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
15. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
- Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

16. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
17. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### CALLS ON SHARES

18. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
19. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
21. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
22. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

## 23. The Board:-

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.
24. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his 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 the name of the member in respect of whose shares money is sought to be recovered appears entered in the Register of Members as the holder of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly posted to the member or his legal representative in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call or that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever by the proof of the matter aforesaid shall be conclusive evidence of the debt.
25. The money so paid in advance of calls shall not be regarded as a loan to the company and shall not be refundable.

#### **TRANSFER OF SHARES**

26. The company shall not be required to preserve transfer deeds beyond the period of four years from the date of registration of transfer in the books of the Company.
27. Subject to the provision of Section 56, 58 and 59 of the Act, or any statutory modification thereof for the time being in force, the Directors may, without assigning any reason, decline to register or acknowledge any transfer of shares other than fully paid up and in particular may so decline in any case in which the company has a lien upon the shares or any of them or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Directors and such refusal shall not be affected by the fact that the proposed transferee is already a Member. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the transferee. Registration of a transfer shall not be refused on the ground of the transferor being alone or jointly with any other person or persons indebted to the company on any amount whatsoever except a lien on shares.
28. On giving not less than seven days previous notice in accordance with Section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year

#### **TRANSMISSION OF SHARES**

29. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall

be the only persons recognized by the company as having any title to his interest in the shares.

- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
30. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
31. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
32. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, 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, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **FORFEITURE OF SHARES**

33. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
34. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
36. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
37. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
38. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share.
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
39. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **CONVERSION OF SHARES AND STOCK**

40. The Company may, by ordinary resolution:-
- (a) Convert any paid-up shares into stock and
- (b) Reconvert any stock into paid up shares of any denominations.
41. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Provided that the Board may from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

42. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
43. (1) Such of these Articles (other than those relating to share warrants) as are applicable to be paid up shares shall apply to stock and the words "share" and "shareholders" in these Articles shall include "stock" and "stockholders" respectively.
- (2) No such conversion shall affect or prejudice any preference or special rights or privileges attached to any class of shares.

#### SHARE WARRANTS

44. The Company may issue share warrants subject to, and in accordance with the provisions of the Act, and subject to such permission as may be required under of the Foreign Exchange Management Act, 1999 and accordingly the Board may in its discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence, (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate, (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time required, issue a share warrant.
45. (1) The bearer of a share warrant may at any time deposit the warrant at the Registered office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted to the Register of Members as the holder of the shares included in the deposited warrant.
- (2) Not more than one person shall be recognized as depositor of the share warrant.
- (3) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.
46. (1) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he has named in the Register of Members as the holder of the shares included in the warrant and he shall be a member of the Company.
47. The Board may from time to time, if it shall think fit, make rules as to the terms on which a new share warrant or coupon may be issued by way of renewal in case of defacement, tearing, loss or destruction.

## DEBENTURES

48. Every debenture or other instrument issued by the Company for securing the payment of money may be so framed that the moneys thereby secured shall be assigned free from any equities between the Company and the persons to whom the same may be issued. Any debentures, debenture stock, bonds or other instruments or securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into any share of any denomination, and with any special privileges as to redemption, surrender, drawings and allotment of shares or otherwise, provided that the debentures with a right to conversion into or allotment of shares shall not be issued without consent of the Company in general meeting.
49. The provisions herein contained relating to transfer and transmission shall also apply to debentures in the same manner as they apply to shares.

### 50. DEMATERIALISATION OF SECURITIES

#### (1) DEFINITIONS

For the purpose of this Article:

“**Beneficial owner**” means a person whose name is recorded as such with a Depository.

“**SEBI**” means the Securities and Exchange board of India established under Section 3 of the Securities and Exchange Board of India Act 1992.

“**Depositories Act**” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force.

“**Bye-laws**” means bye-laws made by a Depository under Section 26 of the Depositories Act.

“**Depository**” means a company formed and registered under the Companies Act 1956, and which has been granted a certificate of registration under Sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

“**Member**” means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a beneficial owner in the records of the Depository.

“**Debentureholder**” means the duly registered holders from to time of the debentures of the Company.

“**Participant**” means a person registered as such under Section 12(1A) of the Securities and Exchange board of India Act, 1992.

“**Record**” includes the records maintained in the form of books or stored in computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act.

“**Regulations**” means the regulations made by SEBI.

“**Security**” means such security as may be specified by the SEBI.

Words imparting the singular number only include the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act shall have the same meaning respectively assigned to them in the Act.

**COMPANY TO RECOGNISE INTEREST IN DEMATERIALIZED SECURITIES UNDER DEPOSITORIES ACT.**

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or reenactment thereof.

**DEMATERIALIZATION OF SECURITIES**

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, rematerialize its securities held in the depositories and/or offer its fresh securities in a dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.

**OPTIONS TO RECEIVE SECURITY CERTIFICATES OR HOLD SECURITIES WITH DEPOSITORY**

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a depository.

If a person opts to hold his security with a depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.

**SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM**

All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956 and/or corresponding Sections under Companies Act, 2013 shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

**RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS**

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the 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 security held by it.
- (b) 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 member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

**BENEFICIAL OWNER DEEMED AS ABSOLUTE OWNER**

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

**DEPOSITORY TO FURNISH INFORMATION**

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

**CANCELLATION OF CERTIFICATES UPON SURRENDER BY A PERSON**

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

**OPTION TO OPT OUT IN RESPECT OF ANY SECURITY**

If a beneficial owner seeks to opt out of a Depository in respect of any security the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of security to the Beneficial owner or the transferee as the case may be.

**SERVICE OF DOCUMENTS**

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the record 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.

**PROVISION OF ARTICLES TO APPLY TO SHARES HELD IN DEPOSITORY**

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provision of the Depository Act.

**ALLOTMENT OF SECURITIES DEALT WITHIN IN A DEPOSITORY**

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

### **DISTINCTIVE NUMBER OF SECURITIES HELD IN A DEPOSITORY**

The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner herein before mentioned, no share shall be subdivided.

Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

### **REGISTER AND INDEX OF BENEFICIAL OWNERS**

Company shall cause to be kept a Register and index of Members and a Register and Index of Debenture holders in accordance with Section 88 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialized form in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial owners maintained by a Depository under Section 11 of the Depositories Act, with details of shares and debentures held in material and dematerialized form in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be Register and Index of Members and Register and index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of members resident in that state or country.

### **REGISTER OF TRANSFERS**

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

### **OVERRIDING EFFECT OF THIS ARTICLE**

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Article of these presents.

### **ALTERATION OF CAPITAL**

51. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
52. Subject to the provisions of section 61 of the Act, the company may, by ordinary resolution,—
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

53. Where shares are converted into stock—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.
54. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

#### GENERAL MEETINGS

55. All general meetings other than annual general meetings shall be called Extraordinary General Meetings.
56. (1) The Board may, whenever it thinks fit, call Extraordinary General Meeting.
- (2) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### PROCEEDINGS AT GENERAL MEETINGS

57. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.
58. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
59. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

60. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### ADJOURNMENT OF MEETING

61. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### VOTING RIGHTS

62. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
63. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.
64. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
65. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
66. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
67. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
68. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

**BOARD OF DIRECTORS**

69. Unless otherwise determined by a general meeting the number of Directors shall not be less than 3 or more than 15 including nominated Directors.
70. The following persons are the First Directors of the Company:-
- (1) Shri P.S. Suri
  - (2) Shri H.R. Subharwal
  - (3) Shri L.K. Malhotra
  - (4) Shri S.K. Wadhawan
  - (5) Smt. N. Suri
  - (6) Smt. Pushpa Devi Bajaj
  - (7) Shri Ram Pershad
  - (8) Shri Jaswant Singh
  - (9) Shri P.S. Gurung (Nominee of Industrial Finance Corporation of India )
  - (10) Shri V. Venkateswarlu (Nominee of Industrial Development Bank of India )
71. A director shall not be required to hold qualification shares but nevertheless shall be entitled to attend, speak and preside at any general meeting of the company and at any separate meeting of the holders of any class of shares in the Company.
72. (1) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Finance Corporation of India (IFCI), Industrial Development Bank of India (IDBI), The Industrial Credit & Investment Corporation of India Limited (ICICI ) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IFCI, IDBI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IFCI, IDBI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body 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 any 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.
- (2) The Board of Directors of the Company shall have no power/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, the 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.

- (3) The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the corporation ceasing to hold Debentures/ Shares in the Company or on the satisfaction of the liability of the Company arising out of the Guarantee furnished by the Corporation.
  - (4) The Nominee Director/s appointed under this Article shall be entitled to receive all notices to attend all General Meetings, Board Meetings and the Meeting 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.
  - (5) The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such nominee Director/s. Provided that if any such Nominee Director/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.
  - (6) In the event of the Nominee Director/s being appointed as whole time Director/s such Nominee Director/s shall exercise such powers and have such rights as are usually exercised or available to a whole time Director in the management of the affair of the Company, such whole time Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may approved by the Corporation.
73. (1) Not less than two third of total number of Directors of the Company shall:
- (a) be persons whose period of office is liable to determination by retirement of Directors by rotation and
  - (b) save as otherwise provided in the Act, be appointed by the Company in General Meeting.
- (2) At every Annual General Meeting of the Company, one-third of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three then the number nearest to one-third, shall retire from office.

- (3) Subject to the provisions of the Act and these Articles a retiring Director shall be eligible for re-appointment.
  - (4) 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 become directors on the same day those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
  - (5) Managing Director/Executive Director/Whole Time Director and Part Time Director/Non Executive Director, of the Company shall retire as per the provisions of the Companies Act 2013 and Rules framed there under and / or any applicable statute rules / regulations framed from time to time .
74. (1) Each Director shall be entitled to receive out of the funds of the Company for his services in attending meeting of the Board or a Committee of the Board, such fees as may be prescribed under the Act or by the Central Government from time to time for each meeting of the Board or a Committee of the Board attended by him.
- (2) The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling, hotel or other expenses incurred in connection with the business of the company.
75. The Directors (other than Managing /Whole-time Directors) may be paid in respect of each financial year of the Company remuneration by way of commission up to one percent of the net profits of the company if the Company has Managing/Whole -time directors or Manager or up to three percent of the net profits of the company in any other case and the total commission so payable shall be divided among such Directors pro rata to the period of office held by them unless otherwise agreed upon among them.
76. Subject to Sections 197 of the Act, if any Director, being willing, shall be called upon to perform extra services or to make any special exertion in going or residing anywhere for any of the purposes of the Company. The Board may remunerate such Director either by fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution of any remuneration to which he may be entitled as a Director.
77. A Director of the Company may be or become a Director of any Company promoted by the Company or in which it may be interested as a vendor, share-holder or otherwise, and such Director shall not be accountable for any benefits received by him as Director of such other company.
78. (1) The office of a Director shall ipso facto become vacant under the circumstances mentioned in Section 167 or any other provisions of the Act.
- (2) A Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.

- (3) Subject to the provisions of Section 169 of the Act, a Director may be removed from office before the expiry of his period of office.
79. The Board may pay all expenses incurred in getting up and registering the company.

#### **POWERS OF DIRECTORS**

80. (1) Subject to the provisions of the Act, Board of Directors shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorized to exercise and do in furtherance of its objects, specified in the Memorandum of Association of the Company for which the Company is established except such powers which are required by the Act or the Memorandum or Articles of Association of the Company to be exercised or done by the Company in General Meeting. In exercising any such powers or doing any such acts or things, the Board shall be subject to the provisions contained in that behalf in the Act, or in the memorandum or articles of the company or in any regulations made by the company in general meeting.
- (2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
81. Without prejudice to the Board being entitled to exercise all powers, authorities and discretions and to do all such acts and things as the company is authorized to exercise and do, save and except as otherwise provided specifically by the Act, the Board shall have the following powers:
- (1) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all recipients for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such persons and in such manner as the Board may from time to time authorize.
- (2) To raise or secure the re-payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture stock, or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the company (both present and the future) including its goodwill and uncalled capital for the time being or by giving, accepting or endorsing on behalf of the company any promissory notes, bills of exchange, hundis or other negotiable instruments.
- (3) To pay out of the funds of the company all expenses on the issue of its capital, including brokerage and commission (in cash or kind including issue of shares) for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the company.
- (4) To create any Depreciation Funds, Reserve Funds, Sinking Fund, or any other special fund, whether for depreciation or for repairing, improving, extending or maintaining any of the property of the company or for any other purpose conducive to the interests of the company.
- (5) To exercise the powers conferred to the Company by Section 88 and 94 of the Act with regard to the keeping of a foreign register; and subject to the said provisions to make and vary such regulations as it may think fit respecting the keeping of any such register.

- (6) Subject to the provisions of Section 161 of the Act, to appoint at any time, and from time to time, one or more additional Directors provided the number of Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at the meeting.
  - (7) Subject to the provisions of Section 161 of the Act appoint any person to act as an alternate Director for a Director during the latter's absence for a period of not less than three months at a time from India.
  - (8) Subject to the provisions of Section 161 and 169 and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to determine by retirement by rotation may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if the vacancy had not occurred.
  - (9) To pay donations to any individuals or institutions or contribute to any charitable, religious, benevolent, public or general and other funds not directly relating to the business of the company or the welfare of its employees any sums the aggregate of which will, in any financial year, not exceed fifty thousand rupees or five percent of the average net profits of the company during the three financial years immediately preceding, whichever is greater, and may, with the consent of the company in general meeting, contribute any sums in excess of such limits.
82. Subject to the provisions of the Act and these Articles and without prejudice to the powers conferred by these Articles the Directors shall have the power, from time to time at their discretion by a Resolution passed at a meeting of the Board and not by Resolution by Circulation, accept deposits from Member, either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the company provided that the total amount borrowed at any time together with the moneys already borrowed by the company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not, without the consent of the Company in General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves that is to reserves not set apart for any specific purpose. Such consent shall be obtained by an ordinary resolution which shall provide for the total amount upto which moneys may be borrowed by the Board. The expression "temporary loans" in this article means loans repayable on demand or within six months from the date of the loans such as short-term cash credit arrangements, discounting of bills and the issue of other short-term loans of seasonal character but does not include loans raised for the purpose of financing expenditure of a capital nature.
83. The Board may authorize or empower any Director or Directors, Managing Director, Manager or Secretary of the Company either by name, by virtue of office or otherwise, or any other person or persons, either singly or jointly, to exercise or perform all or any of the powers, including the power to sub-delegate authorities and duties conferred or imposed on the directors by law or articles of association subject to such restrictions and conditions, if any, and either generally or in specific cases as the Board may think proper.

84. The Board may appoint and, at their discretion, remove or suspend such officers, by whatever designation called, managers, engineers, experts, legal advisors, solicitors, clerks, agents, salesmen, workmen and other servants or professional, for permanent, temporary or special services as the Board may from time to time think fit and determine their duties, fix their salaries or emoluments and delegate or confer upon them such powers, including the power to sub-delegate authorities and discretions as the Board may think fit.
85. Every director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose.

#### PROCEEDINGS OF BOARD

86. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
87. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
88. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
89. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.
90. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
91. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
92. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

93. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
94. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **MANAGING / WHOLE - TIME DIRECTOR**

95. Subject to the approval of the Central Government under Section 196 and other applicable provisions of the Act, the Company may, by ordinary resolution or the Board may, from time to time, appoint one or more of the Directors to be Managing Director or Managing Directors in which expression shall be included joint Managing Directors or whole-time Directors of the Company for a term not exceeding five years at a time and may from time to time and 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.
96. Subject to the provisions of the Act, Managing Director or Whole-Time Director shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the retirement of directors by rotation 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 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 or whole-time Director, if for any cause, he ceases to hold the office of Director.
97. In addition to or in substitution of the usual remuneration of Director, the remuneration of Managing Director and of whole-time Director, shall be such as may, from time to time, be fixed by the Board or by the company in general meeting subject to the provisions of Section 197 of the Act.
98. Subject to the provisions of the Act and in particular to the prohibitions and restrictions in Section 179 of the Act, the Board may, from time to time, entrust to and confer upon a Managing Director or whole-time Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions (if any) as it thinks expedient, and it may confer such power, either collaterally with or to the exclusion of and substitution for all or any of the powers of the Board, in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. Managing Director/ Joint Managing Director can hold the position of Chairperson of the Company. Further Managing Director/ Joint Managing Director will have right to delegate any of his power to any of his officers of his Company for specific purpose or for general purpose which may be considered expedient, to carry on the business of the Company.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY  
OR CHIEF FINANCIAL OFFICER**

99. Subject to the provisions of the Act—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
100. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

**THE SEAL**

101. (i) The Board shall provide for the safe custody of the seal.
- (ii) Save as provided under the Companies (Share Capital and Debentures) Rules, 2014 the seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of an officer, including a Director, Manager or Secretary authorized by the Board in this behalf, from time to time, who shall sign every instrument to which the seal is affixed.
102. The Company may exercise the powers with regard to having an official seal for use abroad, and such powers shall vest in the Board.

**DIVIDENDS AND RESERVES**

103. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
104. Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company:
105. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
106. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as

paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
  - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
107. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
108. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who, is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
109. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
110. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
111. No dividend shall bear interest against the company.
112. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting

#### **INTEREST OUT OF CAPITAL**

113. The Company is authorized to pay interest out of capital as permissible under of the Act.

#### **INSPECTION**

114. Where under any provision of the Act, any person, whether a member of the company or not, is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 11A.M to 1 P.M on any working day unless otherwise determined by the company in general meeting.

**CAPITALISATION OF PROFITS**

115. (1) The Company in general meeting may, upon the recommendation of the Board resolve that:
- (a) It is desirable to capitalize any part of the amount for the time being standing to the credit of any of company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) either in or towards:-
- (a) paying up any amount for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full unissued shares in or debentures of the company to be allotted and distributed, credited as fully paid up to any amongst such members in the proportions aforesaid; or
  - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- (3) A share premium account and a capital redemption reserve account may for the purpose of this Articles, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the company in Pursuance of this Articles.
116. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall -
- i. make all appropriations and applications of the undivided profits resolved to be capitalized there by, and all allotments and issues of fully paid shares, if any; and
  - ii. generally do all acts and things required to give effect thereto
- (2) The Board shall have full power:-
- (a) to make such provision, by the issue of fractional certificates or by Payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions, and also
  - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.

- (3) Any agreement made under such authority shall be effective and binding on all such members.
117. A general meeting may resolve that any surplus money arising from the realization of any capital assets of the company or any investments representing the same or any other undistributed profits of the company be distributed amongst the members in the footing that they received the same as capital.
118. Subject to the provisions of Chapter XX of the Act and rules made there under—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in-space or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### INDEMNITY

119. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### SECRECY

120. Every Director, Manager, Auditor, Trustee, Member of Committee, Officer, servant, agent, accountant, or other persons were employed in the business of the company shall, if so required, by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by court of law and except so far as may be necessary in order to comply with any of the provisions in these presence contained.
121. No member or other person (other than a Director) shall be entitled to enter the property of the company or to inspect or examine companies premises or properties or the books of accounts of the company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information respecting any details of the company's trading or any matter which is or may be in nature of a trade secret mystery of trade or secret process or of any matter which may relay to the conduct of business of the company and which in the opinion of the Board it will be in expedient in the interest of the company to disclose or communicate.

### **RECONSTRUCTION/ARRANGEMENT/AMALGAMATION**

122. The Board on any sale or transfer of the whole or any portion of an undertaking of the company or the liquidator on a winding up may, if authorized by a special resolution accept fully paid up or partly paid up shares, debentures or securities of any other company whether incorporated in India or not, either then a existing or to be formed for the purchase in whole or in part of the property of the company, and the Board( if the profits of the company permits) or the liquidator (on a winding up), may distribute such shares or securities or any other property of the company among the members without realization or vest the same in trustees for them and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or the property otherwise than in accordance with the strict legal rights of the members or contributories of the company and for the valuation of any such securities or property at such price and in such manner as the meeting may approved and all holders of shares, subject to the provision of Section 235, 236 and 238 of the Act, be bound to accept and shall be bound by any valuation or distribution so authorized, and waive all rights in relation thereto, save only such statutory rights, if any under Section 319 of the Act, as or in capable of being varied or excluded by these articles in case the company is proposed to be or is in the course of being wound up.

### **DOCUMENTS AND SERVICE OF DOCUMENTS**

123. A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process order, judgment or any other document in relation to or in the winding up of the company) may be served by the company or any member either personally or by sending it by post to his registered address in India to the address if any, within India supplied by him to the company for the giving of notice to him.
124. Where a document is sent by post, services thereof shall be deemed to be effective by properly addressing, prepaying and posting a letter containing the document and to have been effected in the case of notice of a meeting at the expiration of 48 hours after the letter containing the same is posted and in any other case, the time at which the letter would be delivered.
125. A document advertised in the news paper circulating in the neighborhood of the registered office of the company shall be deemed to duly served on the day on which the advertisement appear, 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 giving of notice to him.
126. A document may be served by the company to the joint holder of a share by serving it on the joint holder first named in the register of Member in respect of the share.
127. A document may be served by the Company to the person entitled to a share in consequence of the death or insolvency of the member by sending it through the post in a prepaid letter addressed to them by name, or by title of representative of the deceased, or assignees of the insolvent or by any like description, at 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 the same might have been served if the death or insolvency had not occurred.

128. (1) Notice of any general meeting shall be given in any manner herein before mentioned:
- (a) to every member of the company.
  - (b) to the persons entitled to a share in consequence of the death or insolvency of a member; and
  - (c) to the auditor or auditors for the time being of the company.
- (2) Any 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 proceeding of the meeting.
129. Any notice to be given by the company shall be signed by the Managing Director or such officer as the case may be authorized by the Board of Directors and the signature thereto may be written, printed, lithographed or stamped.

Name and addresses Occupation, Description of subscriber	Signature of Subscribers	Signature of witness with Address, Description and Occupation
<p>Hans Raj Khurana S/o L. Gian Chand Khurana Road No. 3, Banglaw No. 10, Punjabi Bagh, New Delhi-110026 (Business)</p> <p>Kuljit Singh Suri S/o Late Shri B.S. Suri 6/12, West Patel Nagar, New Delhi-110008 (Industrialist)</p>	<p>Sd/-</p> <p>Sd/-</p>	<p>witness to the sinature of subscribers Sd/- (S.R. KHURANA) S/o Sh. Hans Raj Khurana FCA, M.No. 6746 S.R. Khurana &amp; Company Chartered Accountants K-43, Connaught Circus, New Delhi-110001</p>

Place New Delhi, Dated the 16th Day of February, 1979