

**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF**

**STOVEC INDUSTRIES LIMITED  
(CIN : L45200GJ1973PLC050790)**



भारत सरकार-कम्पनी कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, गुजरात, दादरा एवं नगर हवेली

कम्पनी अधिनियम, 1956 की धारा 18(3)  
राज्य परिवर्तित करने के संबंध में, कम्पनी विधि बोर्ड के आदेश के पंजीकरण से संबंधित प्रमाण-पत्र

कार्पोरेट पहचान संख्या : U45200GJ1973PLC050790  
मैसर्स STOVEC INDUSTRIES LIMITED

ने अपने विशेष विनिश्चय द्वारा, इसके पंजीकृत कार्यालय को महाराष्ट्र राज्य से गुजरात राज्य में स्थानान्तरित करने के निमित्त अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है और इस परिवर्तन की पुष्टि

COMPANY LAW BOARD, MUMBAI

के दिनांक 07/05/2007 के आदेश द्वारा किए जाने पर,

मैं, यह सत्यापित करता हूँ कि उक्त आदेश की सत्यापित प्रतिलिपि को आज पंजीकृत कर लिया गया है।

मेरे हस्ताक्षर द्वारा अहमदाबाद में, यह प्रमाण-पत्र, आज दिनांक दस मई दो हजार सात को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF COMPANY AFFAIRS  
Registrar of Companies, Gujarat, Dadra and Nagar Haveli

SECTION 18(3) OF THE COMPANIES ACT, 1956  
Certificate of Registration of Company Law Board order for Change of State

Corporate Identity Number : U45200GJ1973PLC050790

M/s STOVEC INDUSTRIES LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Maharashtra to the Gujarat and such alteration having been confirmed by an order of COMPANY LAW BOARD, MUMBAI bearing the date 07/05/2007.

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

Given under my hand at Ahmedabad this Tenth day of May Two Thousand Seven.



(SHASHI RAJ DARA)

ASST. कम्पनी रजिस्ट्रार / Registrar of Companies  
गुजरात, दादरा एवं नगर हवेली  
Gujarat, Dadra and Nagar Haveli

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :  
Mailing Address as per record available in Registrar of Companies office:  
STOVEC INDUSTRIES LIMITED  
N.I.D.C. Near Lambha Village, Post: Narol, Ahmedabad - 382405,  
Gujarat, INDIA

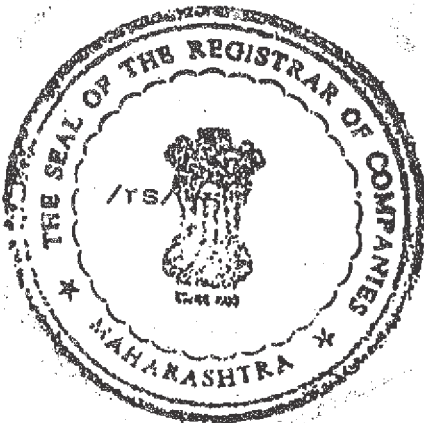
( Section 18(1) of the Companies Act, 1956. )


CERTIFICATE OF REGISTRATION OF  
SPECIAL RESOLUTION PASSED FOR  
ALTERATION OF OBJECTS  
.....

Company No.11-16573.

M/s. STOVEC INDUSTRIES LIMITED having by Special  
Resolution passed on 19-02-1999 altered the provisions of its  
Memorandum of Association with respect to its objects, and a copy  
of the said resolution having been filed with this office on  
22-02-1999. I hereby certify that the Special Resolution  
passed on 19-02-1999 together with the printed copy of the  
Memorandum of Association, as altered, has this day been  
registered.

Given under my hand at Mumbai this Twenty-second day  
of March one thousand nine hundred ninety nine.



  
(G.K. PURWAR)  
Asstt. Registrar of Companies,  
Maharashtra, Mumbai.



No. 11-16573

**FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON  
CHANGE OF NAME**

IN THE OFFICE OF THE REGISTRAR OF COMPANIES,  
MAHARASHTRA, BOMBAY

*IN THE MATTER OF \* STOVEC SCREENS INDIA LIMITED.*

*I hereby approve and signify in writing under Section 21 of the Companies Act, 1956 (Act I of 1956) read with the Government of India, Department of Company Affairs, Notification No. G.S.R. 507E dated the 24th June 1985 the change of name of company from **STOVEC SCREENS INDIA LIMITED** to **STOVEC INDUSTRIES LIMITED** and I hereby certify that **STOVEC SCREENS INDIA LIMITED** which was originally incorporated on Fifth day of June 1973 under the \*\* Companies Act, 1956 and under the name **STOVEC SCREENS INDIA LIMITED** having duly passed the necessary resolution in terms of section 21/22(1)(a)/22(1)(b) of the Companies Act, 1956 the name of the said Company is this day changed to **STOVEC INDUSTRIES LIMITED** and this certificate is issued pursuant to Section 23(1) of the said Act.*

*Given under my hand at **BOMBAY** this **TWELFTH** day of **OCTOBER** 1988 (One thousand nine Hundred **EIGHTY EIGHT**)*

The seal  
of the Registrar  
of Companies,  
Maharashtra

Sd/-

(V. RADHAKRISHNAN)

Addl. Registrar of Companies

MAHARASHTRA, BOMBAY

- Note : 1\* Here given the name of the company an existing prior to change  
2\*\* Here give the name of the Act(s) under which the company was originally registered and incorporated.

No. 16573 / TA

**CERTIFICATE OF REGISTRATION OF ORDER OF COMPANY LAW  
BOARD (BENCH) CONFIRMING ALTERATION OF OBJECTS**

(Section 18 (1) of Companies Act, 1956)

**The STOVEC SCREENS INDIA LIMITED**

having by Special Resolution altered the provisions of its Memorandum of Association with respect to its objects and such alterations having been confirmed by an order of THE COMPANY LAW BOARD, WESTERN REGION BENCH, BOMBAY, IN COMPANY PETITION NO. 134 (17) CLB / WR OF 1983 bearing Dated the 29th day of November 1983.

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

Given under my hand at Bombay this TWENTY SECOND day of FEBRUARY One thousand nine hundred and EIGHTY FOUR.



**( D. M. PANAJKAR )**  
Asstt. Registrar of Companies,  
Maharashtra, Bombay.

No. 16573/TA

**CERTIFICATE OF REGISTRATION OF ORDER OF COMPANY  
LAW BOARD (BENCH) CONFIRMING ALTERATION OF OBJECTS**

(Section 18(1) of Companies Act, 1956)

The **STOVEC SCREENS INDIA LIMITED**  
having by Special Resolution altered the provisions of its Memorandum  
of Association with respect to its objects and such alterations having  
been confirmed by an order of THE COMPANY LAW BOARD,  
WESTERN REGION BENCH, BOMBAY, IN COMPANY PETITION  
NO. 88(17) CLB-WR OF 1982 bearing Dated the 22nd DAY OF  
SEPTEMBER 1982.

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

Given under my hand at Bombay this EIGHTEENTH day of  
FEBRUARY One thousand nine hundred and EIGHTY-THREE.



**(D. M. PANAJKAR)**  
Asstt. Registrar of Companies,  
Maharashtra, Bombay.

Company No. 16573



**CERTIFICATE FOR COMMENCEMENT OF BUSINESS**

Pursuant to Section 149 (3) of the Companies Act, 1956

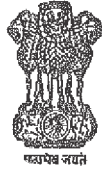
*I hereby certify that the*  
**STOVLC SCREENS INDIA LIMITED** which was incorporated under the Companies Act, 1956 on the **FIFTH** day of **JUNE, 1973** and which has this day filed a duly verified declaration in the prescribed form that the conditions of Section 149(1)(a) to (d)/149(2)(a) to (c) of the said Act, have been complied with, is entitled to commence business.

Given under my hand at **BOMBAY** this **FOURTH** day of **OCTOBER** One Thousand Nine Hundred and **SEVENTY THREE**.

The seal  
of the Registrar  
of Companies,  
Maharashtra

Sd/-  
**(R. N. BANSAL)**  
Registrar of Companies  
Maharashtra, Bombay.





## CERTIFICATE OF INCORPORATION

No. 16573 of 1973-74

*I hereby certify that  
**STOVEC SCREENS INDIA LIMITED** is  
this day incorporated under the Companies  
Act, 1956 (No. 1 of 1956) and that the  
Company is Limited.*

*Given under my hand at **BOMBAY** this  
**FIFTH** day of **JUNE**, One Thousand Nine  
Hundred and **SEVENTY THREE**.*

The seal  
of the Registrar  
of Companies,  
Maharashtra

Sd/-  
(**R. N. BANSAL**)  
Registrar of Companies  
Maharashtra



**MEMORANDUM OF ASSOCIATION**  
**OF**  
**STOVEC INDUSTRIES LIMITED**

- I. The name of the Company is **STOVEC INDUSTRIES LIMITED**
- II. The Registered Office of the Company will be situate in the State of Gujarat.
- III. The objects for which the Company is established are:-
  - A. **MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:**
    1. To adopt and carry into effect with or without modification the Agreements dated 16th day of October 1972 entered into between STORK SCREENS B. V. of the One Part and A.T.E. Private Ltd., as promoters for and on behalf of the company of the other part and and for that purpose to acquire land, buildings, plants, stock and other properties and the benefit of all pending contracts and stock in trade thereof together with the Patents and other rights and privileges relating thereto mentioned in the said agreement and vested in or held on behalf of the said STORK SCREENS B. V. and to enter into any supplemental or further or altered agreement or agreements in reference to the subject matter of such agreement or any part thereof.
    2. To manufacture, assemble, sell, service and otherwise deal in perforated rotary screens for rotary screen printing machines, special machinery and chemicals required for the manufacture of screens and engraving of the same.
    3. To manufacture, assemble, sell, service and otherwise deal in electro forming and electro formed products including accessories, spare parts and stores required for the same.

\*3A. To undertake the work as CONTRACTOR and inter alia do the following:

- (i) To handle all Customs / Ports, including Airport documentation and formalities connected with the clearance of Plant Equipment, Goods, Machinery Spares, Accessories, through Customs, Port, Octroi, and other concerned authorities and Customs and Port clearance.
- (ii) To undertake all activities related to obtaining licences / approvals / permits from Customs, Port, RTO, Municipal or other statutory authorities.
- (iii) To undertake loading at any Port / Jetty in India and transport the Plant Equipment, Goods, Machinery Spares, Accessories to site.
- (iv) To unload at Site all over dimensional consignments (ODC) / heavy lifts near the respective equipment foundation or the laydown area.
- (v) To provide suitable material handling and transport equipment as may be necessary, including labour, cranes, trucks and / or trailers, etc.
- (vi) To verify and check Plant Equipment, Goods, Machinery Spares, Accessories for any damages and / or loss at every stage from the time of discharge from ship / barge till final delivery at Site. To arrange repairing / repacking of cases as required, arrangements for weighments, arranging survey, initiating, lodging and processing of all claims in time, including proper documentation till settlements.
- (vii) To undertake Registration of contract, if necessary, with Customs, preparation, submission and finalisation of the reconciliation statements to customs, cancellation of bonds and all other formalities till finalisation of the reconciliation statements and final settlement of all outstanding claims.
- (viii) To provide adequate storage space with necessary loading/ unloading facilities and with proper security measures for temporary storage of all material in transit.
- (ix) To construct suitable temporary Ro / Ro Jetty and access roads upto Site as required.
- (x) To carry out any modification / strengthening of roads / bridges etc., to facilitate transportation unto Site.
- (xi) To provide proper supervision of entire Work, and
- (xii) To do all other related work for any one or more of the above activities including appointment or engaging any Contractors or Agents or Representatives in that behalf.

---

\* Added by special resolution dated 19-02-99

**\*\*3B.** To carry on the business of transport, contractors, courier agents, travel and tourist agents, operators of vehicles and as carriers of passengers, livestock, other animals and goods, as shipping, chartering, forwarding and transport agents and contractors, stevedores, wharfingers, carmen, carting contractors, agents, superintendents, packers and haulers, as warehousemen, and proprietors of warehouses, as fleet owners, coach and auto hirers and other vehicle proprietors, garage proprietors, engineers and electricians, and to act as tourist agents and contractors and to facilitate travelling and to provide for tourist and travellers and provisions of conveyance of all kinds, and to construct, equip, maintain work, purchase and let on hire aeroplanes and hovercraft for the carriage of passengers or freight and as carriers by air or by hovercraft and as general carriers and forward carriers by all means of transport by land, sea, inland waterways and airways and as storers of goods, merchandise of every kind and description whatsoever and to purchase or otherwise acquire any land, docks, canals, waterways, warehouses, wharves, buildings or machinery and to construct and equip the same, purchase, hire, take on charter any ships, tugs, barges, motors trucks, motor lorries, motor cars, heavy duty vehicles, including tempos, matadors, station wagon or any other vehicles or vessels of any description or kind and to make, work, equip and maintain railway and establish and carry on a tourist agency, travel bureau and booking office and to act as customs clearing agents.

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

4. To act as Technical Advisors and/or Consulting Engineers for the use of perforated Screens and any other machines and equipment that may be manufactured by the Company and execute any contracts for work involved in the supply or use of any machinery and equipment manufactured by the company.
5. To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the company of the objects for which the Company is formed.
6. To carry on any other business (whether manufacturing or otherwise), which may seem to the Company capable of being conveniently carried on in connection with the Company's objects or which it may be advisable to undertake with a view to developing, rendering valuable, prospecting or turning to account, any property, real or personal belonging to the Company, or in which the Company may be interested.
7. To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, receptacles, substances, materials,

---

**\*\*** Added by special resolution dated 19-02-99

articles and things necessary or convenient for carrying on any of the business or processes of the Company usually dealt in by persons engaged in the like business or processes.

8. To buy, sell, manufacture, refine, manipulate, import, export, and deal in substances, apparatus and things capable of being used in any business of the Company or required by any customers or persons having dealings with the Company.
9. To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell any goods from time to time belonging to the Company.
10. To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns and undertaking and generally of any assets, property or rights in which the Company is or may be interested.
11. To establish shops, rooms and depots for the retail and wholesale sales or hire of the products of the Company.
- 11-A. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, "Programme of rural development" shall also include any programme for promoting the social and economic welfare of or the uplift of the public in any rural area which the Directors consider it likely to promote and assist rural development, and that the word "rural area" shall include such area as may be regarded as rural area under Section 35CC of the Income-Tax Act, 1961, or any other law relating to rural development for the time being in force or as may be regarded by the Directors rural area and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concession value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any public Institutions or Trusts established under any law for the time being in force or approved by Central or State Government or any authority specified in that behalf.
- 11-B. To undertake, carry out promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may

think fit and the Directors may without prejudice to the generality of the foregoing, undertake carry out, promote, and sponsor any activity for publication of any books, literature, newspapers, etc. for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, fund, trust, etc. having any one of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner and the Directors may at their discretion, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any public institutions established under any law for the time being in force or approved by Central or State Governments or any authority specified in that behalf.

12. To carry on any business which this Company is authorised to carry on by means, or through the agency of, any subsidiary company or companies, and to enter into any arrangement with such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities, or to make any other arrangement which may seem desirable with reference to any business so carried on including power at any time and either temporarily or permanently to close any such business.
13. To appoint Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.
14. To take part in the supervision and control of the business or operation of any company or undertaking, having objects similar to this Company.
15. For the purpose mentioned in the preceding clause, to appoint and remunerate any Directors, trustees, accountants or other experts or agents.
16. To purchase, take on lease or in exchange, hire or otherwise acquire, any immovable or moveable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock-in-trade; and either to retain any property to be acquired for the purposes of the Company's business or to turn the same to account as may seem expedient.
17. To construct, improve, maintain, develop, work, manage, carry out or control any buildings, factories or works, or any roads, ways, tramways, railways, branches or sidings, bridges, wells, reservoirs,

water-courses, wharves, warehouses, electric works, shops, stores, chawls and other buildings, for housing work-people and others, or other works and conveniences which may seem calculated directly or indirectly to advance the Company's interests and to contribute to, subsidise or otherwise assist or take part in the construction, improvement, maintenance, development, working, management, carrying out or control thereof.

18. To let on lease or on hire-purchase system or to lend or otherwise dispose of any property belonging to the Company, and to finance the purchase of any article or articles, whether made by the Company or not, by way of loans or by the purchase of any such article or articles, and the letting thereof on the hire-purchase system or otherwise howsoever.
19. To sell, lease, grant licenses, easements and other rights over and in any other manner deal with or dispose of, the undertaking, property, assets, rights and effects of the Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the company.
20. To amalgamate, enter into any partnership or acquire interest in the business of any other company, person or firm carrying on or engaged in, or about to carry on or engage in any business or transaction included in the objects of the Company, or enter into any arrangement for sharing profits, or for co-operation, or for limiting competition or for mutual assistance, with any such person, firm or company, or to acquire, carry on any other business (whether manufacturing or otherwise) auxiliary to the business of the Company or connected therewith or which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property, and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture-stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares debentures, debenture-stock or securities so received.
21. To invest and deal with the moneys of the Company as may from time to time be determined.
22. To establish or promote or concur in establishing or promoting any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other company.
23. To enter into any arrangement with any Government or authority supreme, municipal, local or otherwise or any person or company that may seem conducive to the Company's objects or any

of them and to obtain from any such Government, authority, person or company any rights, privileges, charters, contracts, licenses and concessions which the Company may think fit and desirable to obtain and to carry out, exercise, and comply therewith.

24. To apply for, promote and obtain any Act, Charter, privilege, concession, license, authorisation of any Government, State or Municipality or other appropriate authority for enabling the Company to carry any of its objects into effect, or for extending any of the powers of the Company, or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.
25. To apply for purchase, or otherwise acquire, and protect and renew in any part of the world any patents, patent rights, brevets d'invention, trademarks, designs, licenses, concessions, and the like conferring any exclusive or non-exclusive or limited rights to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights, or information so acquired, and to expend money in experimenting upon, testing or improving any such patents, invention or rights.
26. To establish, provide, maintain and conduct, or otherwise subsidise research laboratories and experimental workshops for scientific and technical researches, experiments, and tests of all kinds and to promote studies and research, both scientific and technical, investigations and invention by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
27. To make donations to such persons or institution and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person or corporation introducing business of this Company, and also to subscribe, contribute, or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public or other institutions, objects or for any exhibition or for any public general or other objects and to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit



of the employees or ex-employees (including Directors) of the Company or its predecessors in business or of persons having dealings with the Company or the dependents, relatives or connection of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or a lump sum to make payments towards insurance and to form and contribute to provident and benefit funds of or for such persons.

28. To refer or agree to refer any claim, demand, dispute, or any other question, by or against the Company, or in which the Company is interested or concerned, and whether between the Company and the member or members or his or their representatives, or between the Company and third parties, to arbitration in India or at any place outside India, and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the award.
29. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the Company or the issue of its capital including brokerage and commission for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company,
30. To pay all preliminary expenses of any company promoted by the Company or any company in which the Company is or may contemplate being interested, including in such preliminary expenses all or any part of the costs and expenses of owners of any business or property acquired by the Company.
31. To pay for any rights or property acquired by the Company and to remunerate any person or company for services rendered or to be rendered in placing of shares in the Company's capital or any debentures, debenture-stock, or other securities of the Company, or in or about the formation or promotion of the Company, or the acquisition of property by the Company or the conduct of its business whether by cash payment or by the allotment of shares, debentures, or other securities of the Company, credited as paid up in full or in part or otherwise.
32. To adopt such means of making known the business of the Company as may seem expedient, and in particular advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
33. To lend and advance money or give credit to such persons or companies, on such terms as may seem expedient, and in particular to customers of and having dealings with the Company and to give indemnities, guarantees or become surety for such persons or companies.
34. To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture-stock (perpetual or

otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the company (both present and future) including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the company or any person or company as the case may be.

35. To undertake and execute any trusts the undertaking of which may seem to the Company desirable and either gratuitously or otherwise.
36. To draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
37. To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company for the time being.
38. Subject to the provisions of Section 205 of the Companies Act 1956, to distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction, if any, for the time being required by law.
39. To insure the whole or any part of the property of the Company either fully or partially, to protect and indemnify the Company from liability or loss in any respect either fully or partially and also to ensure and to protect and indemnify any part or portion thereof either on mutual principle or otherwise.
40. To carry out in any part of the world all or any part of the Company's objects as principals, agents, factors, trustee, contractor, or otherwise, either alone or in conjunction with any other person, firm, association, corporate body, municipality, province, state, or government or colony or dependency thereof.
41. To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories, possession, colonies and dependencies thereof and in any or all foreign countries, and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.
42. To procure the Company to be registered or recognised in any part of the world, and
43. To do all and everything necessary suitable or proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporate bodies, firms, or individuals and to do

every other act or acts, thing or things incidental or appurtenant to or growing out of, connected with the aforesaid business or powers or any part or parts thereof, provided the same be not inconsistent with the laws of the Union of India.

**C. OTHER OBJECTS :**

44. To carry on business as importers, exporters, buyers and sellers, of, and merchants and dealers in, and manufacturers of merchandise, goods, materials and machinery of all kinds, spare parts accessories and equipment.
45. To manufacture, assemble, erect, sell, service, import, export and otherwise deal in all types of graphic printing plant and machinery, components, accessories, spare parts, chemicals and consumables required for printing on paper, plastic or any type of foils with the help of Gravieur, Flexographic or Off-set and /or any other types of machines.
46. To manufacture, engrave, etch, plate, grind, regrind or carry out any process on rollers or plates or matrices or on any substances or surface for the purpose of printing, and to sell the same in India or abroad.
47. To manufacture, produce components for use in any type of printing plants by using electro forming, etching or anodising or any other type of techniques and to assemble, erect, sell, service, install, import, export and otherwise deal in the said components.
48. To produce films necessary for art work or any negative or positive printing or for engraving or etching purposes; manufacture of chemicals required for engraving, photo-etching and for other related uses in the printing industry; inks, dye-stuffs, pastes and other consumables and to sell, import, export and otherwise deal in such films, chemicals and consumables.
49. To produce, manufacture, sell, import, export and otherwise deal in electronic components of any type, lead frames, printed circuit boards of single layer or multi-layer or special wire circuit boards, developed through photo-etching or electroforming or any other suitable process.
50. To manufacture, assemble, erect, sell, service, import, export and otherwise deal in paper, plastic and chemicals plant and machinery and equipment including process control equipment relating to the main objects set out in this Memorandum.
51. To carry on the business of hire purchase, finance and leasing in order to provide on lease or on hire or on hire purchase basis every kind of industrial plant, equipment, machinery, instruments, appliances, apparatus or accessories relatable to the main objects of this Memorandum.

52. To carry on any other trade or business whatsoever which can, in the opinion of the Board of Directors, be advantageously carried on by the Company in conjunction with or ancillary to any of the above business or the general business of the Company.

And it is hereby declared that:

- (i) the word "company" (save when used with reference to this Company) in this Memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and whenever domiciled:
- (ii) the objects set forth in each of the several clauses of paragraph III hereof shall have the widest possible construction and shall extend to any part of the world;
- (iii) nothing in this paragraph shall authorise the Company to do any business which may fall within the purview of the Banking Companies Act, 1949, or the Insurance Act, 1938.

IV. The liability of the members is limited

V. The Authorised Share Capital of the Company is Rs. 3,00,00,000/- (Rupees Three Crores only) divided into 29,00,000 (Twenty -nine lakhs) Equity Shares of Rs.10/- (Rupees ten) each and 10,000 (Ten thousand) -10% Cumulative Redeemable Preference Share of 100/- (Rupees one hundred) each.

- (a) Any shares of the original or increased capital may from time to time be issued with guarantee or any right of preference whether in respect of dividend or of repayment of capital or both or any other special privilege or advantage over any shares previously issued or then about to be issued or with deferred or qualified rights as compared with any shares previously issued or subject to any provisions or conditions and with any special right or limited right or without any right of voting, and generally on such terms as the Company may from time to time determine.

---

Special Resolution was passed at the AGM held on 16.01.1980, The authorised Share capital was increased from 50,00,000/- to 1,00,00,000/-

Resoulution was passed at the EGM held on 20.03.1986 The authorised share capital was increased from 1,00,00,000/- to 3,00,00,000/-

Resolution was passed at the EGM held on 20.03.1986 the unclassified shares of 100000 Equity shares was converted into Equity Shares.

Resolution was passed at the EGM held on 29.10.1990 the Authorised Capital will be 3,00,00,000/- divided into 29,00,000 Equity Shares of Rs. 10 each aggregating of Rs 29000000/- and 10000 10% Cumulative Redeemable Preference Share of Rs. 100 each.

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

Sr. No.	Names, Addresses, Descriptions, Occupations and Signature of Subscribers	Number of Equity Shares taken by each Subscriber	Signature, Name, Address, Description and Occupation of the Witness
1.	<b>Bhagwati Atul Krishnalal</b> S/o Krishnalal Harilal Bhagwati 17, Shashidhar Dr. Rajaball Patel Road, Bombay-400 026. Occu. : Business Sd/- Atul Bhagwati	1 (One)	<p style="text-align: center;"><b>Dhananjay Kapilashankar Goghari</b> Triveni, 5B, G.B.Road, <b>Bombay 400 054 A.S.</b></p> <p style="text-align: center;">Sd/- D. K. Goghari</p>
2.	<b>Agarwal Jagdish Chand</b> S/o, Mangal Chand "Veenirma", Plot 27, 11th Road, Juhu-Vile Parle Scheme, Bombay-400 056 AS Occu. : Engineer Sd/- J. C. Agarwal	1 (One)	
3.	<b>Bhagwati Prakash Krishnalal</b> S/o, Krishnalal Harilal Bhagwati. 22,Shrimall Society, Navrangpura, Ahmedabad-380 009. Occu. : Business Sd/- Prakash Bhagwati	1 (One)	
4.	<b>Girish Chinubhai Sharedalal</b> S/o, Chinubhai Amratlal Sharedalal 29, Noservan Hall, Station Road, Bombay-400 007 Occu. : Chartered Accountant Sd/- G. C.Sharedalal	1 (One)	
5.	<b>Vakil Jayant Chimanlal</b> S/o, Chimanlal Chhaganlal Vakil Vachha Gandhi Road, Bombay-400 007. Occu. : Solicitors Sd/- J. C. Vakil	1 (One)	
6.	<b>Chandorkar Ramachandra Ganesh</b> S/o, Chandorkar Ganesh Laxman "Prayog" 32, Slon East, Bombay-400 022 DD. Occu. : Service Sd/- R. G. Chandorkar	1 (One)	
7.	<b>Sheopori Auter Narain</b> S/o, Inder Narain Sheopari Beach House, 298-B Cadell Road, Bombay-400 028. Occu. : Service Sd/- A. N. Sheopori.	1 (One)	
	<b>Total</b>	<b>7 (Seven)</b>	

Dated this 14th day of MAY, 1973.

# **STOVEC INDUSTRIES LIMITED**

## **ARTICLES OF ASSOCIATION**

**(NEW SET OF ARTICLES OF ASSOCIATION OF  
STOVEC INDUSTRIES LIMITED AS ADOPTED BY  
MEMBERS OF THE COMPANY IN THE  
41ST ANNUAL GENERAL MEETING HELD  
ON MAY 7, 2015)**

**THE COMPANIES ACT, 2013**

---

**COMPANY LIMITED BY SHARES**

---

**ARTICLES OF ASSOCIATION OF  
STOVEC INDUSTRIES LIMITED**

---

---

**CONSTITUTION OF THE COMPANY**

1. The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to this Company but the regulations for the management of the Company and for the observance thereof by the Members of the Company 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, its regulations by special resolution, as prescribed by the Companies Act, 2013, be such as are contained in these Articles.

*Company to  
be governed  
by the Articles  
and Table 'F'  
not to apply.*



## INTERPRETATION

2. (a) The marginal notes hereto shall not affect the construction hereof. In these presents, unless there be something in the subject or context inconsistent therewith: *Interpretation*
- (b) “**AFFILIATE**” means, in relation to any person (“**Subject Person**”), any entity controlled, directly or indirectly, by that Subject Person, any entity that controls, directly or indirectly, that Subject Person, or any entity under common control with that Subject Person and, in the case of a natural person, any Relative (as such term is defined in the Act) of that Subject Person. For the purpose of this definition: *Affiliate*
- i. “**control**” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;and
- ii. A holding company or subsidiary company of any entity pursuant to Section 2(46) and 2(87) respectively of the Act (or other law applicable to such entity) shall be deemed to be an Affiliate of that entity.
- (c) “**BENEFICIAL OWNER**” shall mean beneficial owner as defined in the Depositories Act, 1996; *Beneficial Owner*
- (d) “**BOARD**” means the Board of Directors of the Company. *Board*
- (e) “**BUSINESS DAY**” means a day (excluding Saturdays and Sundays) on which banks are generally open in Ahmedabad, India, for the transaction of normal banking business. *Business Day*
- (f) “**CHARTER DOCUMENTS**” means the memorandum of association and articles of association of the Company. *Charter Documents*
- (g) “**DEBENTURES**” includes debenture-stock, bonds and other securities of *Debentures*

the Company, whether constituting a charge on the assets of the Company or not;

- (h) “**DEPOSITORY**” shall mean a Depository as defined in the Depositories Act, 1996. *Depository*
- (i) “**DEPOSITORIES ACT, 1996**” shall include any statutory modification or re-enactment thereof. *Depositories Act, 1996*
- (j) “**DIRECTOR**” means a director of the Company (including any duly appointed alternate director). *Director*
- (k) “**DIVIDEND**” includes interim dividend. *Dividend*
- (l) “**ENCUMBRANCE**” means any encumbrance including without limitation any claim, debenture, mortgage, pledge, charge, hypothecation, lien, deposit by way of security, sale, sale agreement, agreement for payment on deferred terms, option, right of pre-emption, beneficial ownership (including usufruct and similar entitlements), public right, common right, any provisional or executorial attachment and any other interest held by a third party; and “**Encumber**” and “**Encumbered**” shall be construed accordingly. *Encumbrance*
- (m) “**EQUITY SHARE CAPITAL**” means the issued and paid up equity share capital of the Company. *Equity Share Capital*
- (n) “**EQUITY SHARES**” means the equity shares of the Company. *Equity Shares*
- (o) “**EXCHANGES**” means the BSE Limited, Ahmedabad Stock Exchange Limited, the National Stock Exchange of India Limited and internationally recognised stock exchanges. *Exchanges*
- (p) “**FINANCIAL YEAR**” means a financial year commencing on 1 January and ending on 31 December unless the tribunal or to any statutory body/authority to whom the power is vested to deal with matters pertaining to financial year, till the time Tribunal is constituted, allow otherwise with respect to following of financial year from 1 January to 31 December. *Financial Year*

- (q) **“IN WRITING”** or **“WRITTEN”** means and includes words printed, lithographed, represented or reproduced in any mode in a visible form. *In Writing or Written*
- (r) **“LAW”** includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, circulars, policies, directions, directives and orders of any Government, statutory authority, tribunal, board, court or recognised stock exchange and, if applicable, international treaties and regulations. *Law*
- (s) **“MEMBER”** means the duly registered holder from time to time of Shares in the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner(s) as defined in the Depositories Act, 1996. *Member*
- (t) **“MODIFY”** and **“MODIFICATION”** shall include the making of additions and omissions. *Modify and Modification*
- (u) **“MONTH”** and **“YEAR”** mean respectively a calendar month and a calendar year *Month and Year*
- (v) **“ORDINARY RESOLUTION”** and **“SPECIAL RESOLUTION”** shall have the meaning assigned thereto respectively by Section 114 of the Act. *Ordinary Resolution and Special Resolution*
- (w) **“PERSON(S)”** means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, Government Authority or trust or any other entity or organization. *Persons*
- (x) **“PROMOTERS”** [shall have the meaning assigned thereto by section 2(69) of the Act ] **or** [means persons who have been named as such in a prospectus or are identified by the company in the annual return referred to in Section 92 of the Act and are in control of affairs and management of the Company] [which expression shall include the persons and entities as defined in Regulation 2(1) (s) & (t) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time]. *Promoters*

- |  |   |
|--|---|
| <b>(y)</b> “SHARE CAPITAL” means the issued and paid up share capital of the Company.  | <i>Share Capital</i>                                    |
| <b>(z)</b> “SUBSIDIARY”, with reference to any entity, has the meaning given to such term in the Act or other law applicable to the entity.  | <i>Subsidiary</i>                                       |
| <b>(aa)</b> “THE ACT” means the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.  | <i>The Act</i>  |
| <b>(bb)</b> “THE COMPANY” or “THIS COMPANY” means the above named Company.   | <i>The Company or This Company</i>                      |
| <b>(cc)</b> “THE OFFICE” means the Registered Office for the time being of the Company.  | <i>The Office</i>                                       |
| <b>(dd)</b> “THE REGISTER” means the Register of Members to be kept pursuant to Section 88 of the Act.   | <i>The Register</i>                                     |
| <b>(ee)</b> “THESE ARTICLES” or “THE ARTICLES” or “THESE PRESENTS” mean these Articles of Association or as originally framed or as altered from time to time by Special Resolution. | <i>These Articles or The Articles or These Presents</i> |
| <b>(ff)</b> “VARIATION” shall include abrogation and “VARY” shall include abrogate.  | <i>Variation and Vary</i>                               |
| <b>(gg)</b> Words imparting singular number also include plural number.  | <i>Singular Number</i>                                  |
| <b>(hh)</b> Words imparting plural number also include singular number.  | <i>Plural Number</i>                                    |
| <b>(ii)</b> References to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships.                                 | <i>References</i>                                       |

The headings and side headings are inserted for ease of reference only and shall not affect the construction or interpretation of these Articles;

References to one gender include all genders;

Any reference to any enactment of statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted;

References to an “**agreement**” or “**document**” shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of these Articles with respect to amendments.

Subject as aforesaid, and unless repugnant to the context or meaning thereof, any words or expressions defined in the Act shall except where the subject or context forbid bears the same meaning in these Articles.

- (j) Words imparting masculine gender also include feminine gender. References to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships. *Gender*
- (kk) “**TRIBUNAL**” shall mean the National Company Law Tribunal and till the time the tribunal is constituted any such authority/court/statutory body who is authorized or vested with the power to deal with any matter pertaining to the act. *Tribunal*
- (ll) “**CHIEF FINANCIAL OFFICER**” shall mean an officer of a Company, who has been designated as such by it. *Chief Financial Officer*
- (mm) “**COMPANY SECRETARY**” OR “**SECRETARY**” means a Company Secretary as defined in clause (c) of sub-section 1 of Section 2 of the Company Secretaries Act, 1980 who is appointed by Company to perform the functions of a Company Secretary under the act. *Company Secretary or Secretary*
- (nn) “**KEY MANAGERIAL PERSONNEL**” in relation to a company, means-
- i. the Chief Executive Officer or the Managing Director or the Manager
  - ii. the Company Secretary
  - iii. the Whole-time Director
  - iv. the Chief Financial Officer
- (oo) “**INDEPENDENT DIRECTOR**” means an independent director referred to in sub-section (6) of Section 149. *Independent Director*

- |             |   |                        |
|-------------|---|------------------------|
| <b>(pp)</b> | <b>“POSTAL BALLOT”</b> means voting by post or through any electronic mode.   | <i>Postal Ballot</i>   |
| <b>(qq)</b> | <b>“VOTING RIGHT”</b> means the right of a member of a company to vote in any meeting of the company or by means of postal ballot or by way of electronic voting. | <i>Voting Right</i>    |
| <b>(rr)</b> | <b>“SECURITIES”</b> means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956.                                | <i>Securities</i>      |
| <b>(ss)</b> | <b>“HOLDING COMPANY”</b> in relation to one or more other companies, means a company of which such companies are subsidiary companies.                            | <i>Holding Company</i> |

### **SERVICE OF DOCUMENTS**

- |     |   |   |
|-----|---|---|
| 3.  | Subject to provisions of Section 20 of the Act, the Company shall on being so required by a member, send to him within seven days of the requirement and subject to the payment of fee of Re. 1 a copy of each of the following documents as in force for the time being: | <i>Copy of Memorandum and Articles to be given to members</i> |
| (a) | Memorandum  |   |
| (b) | The Articles  |   |
| (c) | The Agreement, if any entered into or proposed to be entered into by the Company with any person appointed or to be appointed as its Managing Director or as its whole-time Director and  |   |
| (d) | Every other agreement and every resolution referred to in Section 117 of the Act if and so far as they have not been embodied in the Memorandum of the Company or those Articles.   |   |
| 4.  | (1) Every notice of 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 there at.   |   |
|     | (2) Notice of every meeting of the Company shall be given:  |   |
|     | (a) to every member of the Company in any manner authorized by sub-section (1) to (4) of Section 20 of the Act:   |   |

- (b) 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 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 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:
- (c) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 20 of the Act in the case of any member or members of the Company.

### NOTICES

5. A notice shall be deemed to include and shall include any summons, notice, requisition, order, other legal process and registers, whether issued, sent or kept in pursuance of the Act or any other Act or otherwise.

*Notices*

6. (1) A notice may be served by the Company on any member thereof either personally or by sending it to him by post or by registered post or by speed post or by courier at 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 notice to him or by such electronic or other mode as prescribed under the Companies (Incorporation) Rules, 2014. A notice may also be served on a company or an officer thereof through electronic transmission.

*Service of Documents on members by Company*

(2) For the purposes of sub-rule (1), the term, “electronic transmission” means a communication—

*Service of Documents by Electronic Transmission*

(a) Delivered by –

- (i) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, which the company or the officer has provided from time to time for sending communications to the company or the officer respectively;



- (ii) posting of an electronic message board or network that the company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or
    - (iii) other means of electronic communication, in respect of which the company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
  - (b) that creates a record that is capable of retention, retrieval and review, and which may thereafter be rendered into clearly legible tangible form.
- (3)** Where notice is sent by post:
- (a) service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him by post or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner mentioned 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) Any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (4)** 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

*Service of  
Documents by  
Post*

*Effect of such  
Notice from*

of the Company who has no registered address in India and has not supplied to the Company an address within India for giving of notices to him.

(5) A notice be served by the company on the joint holders of a share(s) by serving it on the joint holder named first in the Register in respect of the share(s).

(6) 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 by prepaid letter addressed to them by name or by the title or representative of the deceased or assignees of the insolvent or by the 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 notice in any manner in which it might have been served if the death or insolvency had not occurred. Provided that where the notice is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company under clause (3) hereof the statement of material facts referred to in Section 102 of the Act need not be annexed to the notice as required by the Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

7. A document may be served on the Company or an Officer thereof by sending it to the Company or the officer at the Registered Office of the Company by Registered Post or Speed Post or by Courier or by leaving it at its Registered Office or through electronic transmission.

*Service of  
documents on  
Company*

8. A document may be served on the Registrar of Companies by sending it to him at his office by post or by registered post or Speed Post or by Courier or by delivering it to or leaving it for him at his office or through electronic transmission.

*Service of  
documents on  
Registrar*

9. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the whole-time Director, the Manager,

*Authentication of  
documents &  
proceedings*

the CFO, the Secretary or other authorised officer of the Company and need not be under the Common Seal of the Company.

10. The amount payable on application on each share of the Company shall not be less than five percent of the nominal amount of the share or such other percentage or amount, as may be specified by the Securities and Exchange Board of India. *Amount payable on Application*
11. Whenever the Company shall make an allotment of its shares, it shall within thirty days thereafter file with the Registrar of Companies a Return of Allotment, as required by Section 39 of the Act and Rule 12 of the Companies (Prospectus and Allotment of Securities) Rule, 2014, Appendix III. *Return of Allotment*
12. Neither the original capital nor any increased capital shall be of more than two kinds, namely (a) Equity share Capital and (b) Preference Share Capital as defined in Section 43 of the Act. *Capital of two kinds only*

### **CERTIFICATES**

13. (1) Certificates of title to shares shall be issued under the Common Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and; (b) the Secretary or some other person appointed by the Board for the purpose; provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing Director or Whole-time Director. *Certificates*
- (2) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal, or lithography, but not by any means of a rubber stamp. Provided, however, that notwithstanding anything contained in this clause, the certificate of title to shares may be executed and issued in accordance with such other provisions of the Act or the rules made thereunder as may be in force for the time being and from time to time. The Certificate shall be made out in favour of not more than four persons.

14. The Company shall within two months after the allotment of any of its shares, and within six months in case of debentures or debenture-stock or within one month from the date of receipt by the Company of the instrument of transfer of shares or as the case may be, of the intimation of transmission of shares along with complete documents (six months in case of transfer/transmission related to Debenture or Debenture Stock) for the purpose of registration of the transfer of any shares, debentures or debenture-stock, complete and have ready for delivery the certificates of all shares, debentures and the certificates of all debenture stock allotted or transferred unless the conditions of issue of the shares, debentures or debenture-stock otherwise provide. Every certificate of shares shall specify the numbers and denoting numbers of the shares in respect of which it is issued and the amount paid thereon.
- Members' right of Certificates*
15. If any certificate is lost or destroyed or defaced, mutilated or torn or has no further space on the back thereof for endorsement of transfers then in case of a lost or destroyed certificate upon proof to the satisfaction of the Directors as to its loss or destruction and on such indemnity as the Directors deem adequate being given and in other cases, upon surrender of the certificate to the Company, a new certificate in lieu thereof shall be given to the party entitled to such certificate. Any new or renewed certificate may be marked as such. The out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company. No fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been utilised fully.
- Issue of new certificate in place of one defaced or lost or destroyed*
16. The certificate of shares registered in the names of two or more persons shall be delivered to the person first named in the Register.
- To which of joint holders certificate to be issued*
17. If any shares stand in the names of two or more persons, the person first named in the Register shall as regards to receipt of dividends or bonus or service of notices and all or any other matters connected with the Company except voting at the meeting and the transfer of shares be deemed the sole holder thereof.
- The first named joint holder deemed sole holder*

- |     |  |  |
|-----|--|--|
| 18. | In the case of death of any one or more of the persons named in the Register as the joint holders of any share the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a joint holder from any liability on shares held by him jointly with any other person.  | <i>Death of one or more joint holders of shares</i>                          |
| 19. | Notwithstanding anything contained in the articles of a company, the manner of issue of a certificate of shares or the duplicate thereof, the form of such certificate, the particulars to be entered in the register of members and other matters shall be such as may be prescribed.   | <i>Unless provided in the Articles procedure as prescribed to be adopted</i> |
| 20. | If a Company with intent to defraud issues a duplicate certificate of shares, the Company shall be punishable with fine which shall not be less than five times the face value of the shares involved in the issue of the duplicate certificate but which may extend to ten times the face value of such shares or rupees ten crores whichever is higher and every officer of the Company who is in default shall be liable for action under Section 447 of the Act. | <i>Issue of a duplicate certificate with aim to defraud</i>                  |

### VOTING RIGHTS

- |     |   |  |
|-----|---|--|
| 21. | A member paying the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would become presently payable.  | <i>Member paying any moneys in advance not to be entitled to vote in respect thereof</i> |
| 22. | 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 exercised any right of lien.  | <i>Restriction on exercise of voting rights of members who have not paid calls</i>       |
| 23. | (1) Notwithstanding anything contained in this Act, the articles of a company may provide that 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 exercised any right of lien. | <i>Restriction on voting rights</i>  |

- 24.** Subject to the provisions of Articles 21 and 22
- (a) Every member of the Company holding any Equity Share Capital and otherwise entitled to vote shall on a show of hands when present in person, have one vote.
  - (b) Every member of the Company holding any Equity Share Capital and otherwise entitled to vote shall on a poll when present in person or by proxy have one vote for each Equity Share of the nominal value of Rs-10/- held by him.
  - (c) Every member of the Company holding any Equity Share Capital and otherwise entitled to vote shall on a poll when present in person or by proxy have voting right in proportion to his share of the paid up Equity Share Capital of the Company.

*Votes of members  
holding equity  
shares*

- 25.** Subject to the provisions of Section 47 of the Companies Act, 2013 the holder of the Preference Shares shall have, in respect of such preference shares held by them, the right to vote only on resolutions placed before the Company in General Meeting which directly affect the rights attached to such Preference Shares.

- 26.** (1) Subject to the provisions of Articles 21 and 22 every member of the Company holding Preference Share Capital, be entitled to vote on every resolution placed before the Company at any general meeting, if the dividend due on such capital or any part of such dividend has remained unpaid.
- (a) in the case of Cumulative Preference Shares, in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting and
  - (b) in the case of Non-Cumulative Preference Shares either in respect of a period of not less than two years ending with the expiry of the financial year immediately preceding the commencement of the meeting or in respect of any aggregate period of not less than three years comprised in the six years ending with the expiry of the financial year aforesaid.

*Voting rights of  
new Preference  
shares*

- (2) For the purpose of sub-clause (1) hereof, dividend shall be deemed to be due on Preference Shares in respect of any periods whether a dividend has been declared by the Company on such shares for such period or not.
- (a) on the last day specified for the payment of such dividend for such period, in any instrument executed by the Company in that behalf; or
- (b) in case no day is so specified on the day immediately following such period.
- (3) Where the holder of any Preference Share has a right to vote on any resolution in accordance with the provisions of sub-clause (1) hereof, his voting right on a poll, as the holder of such share, shall subject to the provisions of sub-section (2) of Section 50 of the Act, be in the same proportion as the capital paid up in respect of the equity shares Shares bears to the total paid up Capital of the Company in respect of the preference shares..

27. Any person entitled under the Transmission Clause to transfer any shares, may vote in General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty eight hours at least 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 share unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

*Vote in respect of shares of deceased or insolvent member*

### **ALTERATION OF CAPITAL**

28. 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.
29. Subject to the provisions of Section 61, the company may, by ordinary resolution,—

*Increase of capital*

*Alteration of Share Capital*

- (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.

The cancellation of shares as referred above in Article 29 shall not be deemed to be a reduction of share capital.

**30.** Subject to the confirmation by the Tribunal, the company may, by special resolution, and subject to any incident authorized and consent required by law, reduce the share capital in any manner and in particular, may -

*Reduction of Share Capital*

- (a) extinguish or reduce the liability on any of its shares in respect of the share capital not paid up; or
- (b) pay off any paid-up share capital which is in excess of the wants of the Company,
- (c) alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

**31. (i)** Whenever such a resolution as aforesaid shall have been passed, the Board shall—

*The Board to accommodate such changes in Capital*

- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—



- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- (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 profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

**32.** Subject to provisions of Section 61 of the Act, the Company may by ordinary resolution in General Meeting from time to time alter the conditions of its Memorandum as follows, that is to say, it may:

*Increase of  
Capital*

- (a) increase its share capital by such amount as it thinks expedient by issuing new shares of such amount as may be deemed expedient and the new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct and if no direction be given, as the Board of Directors shall determine and in particular whether such shares may be issued with a preferential right to dividends and in the distribution of the assets of the Company.
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing 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) sub-divide its shares or any of them into shares of smaller amount that is fixed by the Memorandum so however, that in the sub divisions of 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;

- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Clause shall not be deemed to be a reduction of share capital within the meaning of the Act.

- 33. (a) Whenever the Company shall increase its capital beyond its Authorised Capital, the Company shall file with the Registrar of Companies notice of the increase of capital as required by Section 64 of the Act within thirty days after the passing of the Resolution authorising the increase. The notice shall include particulars of the class of shares affected and the conditions if any, subject to which the new shares have been or are to be issued.

*Notice of  
Increase of Share  
Capital*

The Company shall also comply with the provisions of sub- section (1)(b) of Section 64 of the Act within the time thereby prescribed.

- (b) Whenever the Company shall do any one or more of the things provided for in Articles 32 (b), (c), (d) and (e), the Company shall within thirty days after doing so, give notice thereof to the Registrar of Companies as required by Section 64 of the Act, specifying as the case may be, the shares consolidated, divided, converted, subdivided, redeemed or cancelled or the stock reconverted.

- 34. (1) Subject to the provisions of Section 62 of the Act, where at any time, it is proposed to increase the subscribed Capital of the Company by allotment of further shares then,

*Further issue of  
Capital*

- (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the Equity Shares of the Company in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date;

- (b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting the time not being more than 30 days from the date of the offer within which the offer if not accepted will be deemed to have been declined;
  - (c) the offer aforesaid shall be deemed to include right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him;
  - (d) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the persons to whom such notice is given, that he declines to accept the shares offered; the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.
  - (e) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (b) shall contain a statement of this right.
- (2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in sub-clause (1) (a) in any manner whatsoever;
- (a) if a Special Resolution to that effect is passed by the Company in General Meeting, or
  - (b) where no such Special Resolution is passed, if the votes cast whether on a show of hands or on a poll (as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman)

by members, who being entitled to do, vote in person, or by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in that behalf, that the proposal is most beneficial to the Company.

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

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

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

- (i) To convert such debentures or loans into shares in the Company; or
- (ii) To subscribe for shares in the Company

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by the Government in this behalf; and
- (b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

35. 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, transfers and transmission, forfeiture, lien, surrender, voting and otherwise. *How far new shares to rank with shares of original capital*
36. The Company may from time to time by Special Resolution subject to confirmation by the Court/Tribunal and subject to the provisions of Section 66 of the Act, reduce its Share Capital and Capital Redemption Reserve Account and Share Premium Account in any way and in particular without prejudice to the generality of the foregoing power by : *Reduction of Capital*
- (a) extinguishing or reducing the liability on any of its shares in respect of the Share Capital not paid up; or
- (b) cancelling either with or without extinguishing or reducing liability on any of its shares, any paid up share Capital which is lost or is unrepresented by available assets; or
- (c) paying off, either with or without extinguishing or reducing liability on any of its shares, any paid up Share Capital which is in excess of the wants of the Company and capital may be paid off upon the footing that it may be called up again or otherwise and paid up capital may be cancelled as aforesaid without reducing the nominal amount of shares by the like amount with the intent that the unpaid and un-callable capital shall be increased by the like amount.

### **MODIFICATION OF RIGHTS**

37. Whenever, the Share Capital is divided into different classes of shares, the rights attached to the shares of any class may, subject to the provisions of Section 48 of the Act be varied with: *Power to modify rights*
- (a) the consent in writing of the holders of not less than three- fourths of the issued shares of that class; or the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class;

- (b) the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class;
- (c) Where any default is made in complying with the provisions of this Article, the company shall be punishable with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees, or with both.

Further all the provisions hereinafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall *mutatis mutandis* apply to every such meeting.

### CALLS

**38.** Subject to Sections 49 and 50 of the Act, the Directors may, from time to time by resolution passed at a meeting of the Directors and not by a circular resolution, make such calls as they may think fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, whether on account of the nominal value of the shares or by way of premium and not by the conditions of allotment thereof made payable at 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 in instalments.

*Calls*

**39.** If by the condition of allotment of any share, 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 shall be the registered holder of the share or his legal representative.

*Payment by instalments of issue price*

**40.** No call shall exceed one-half of the nominal amount of a share or be made payable within two months after the last preceding call was payable. All calls shall be made on a uniform basis on all shares falling under the same class. Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

*Restriction on power to call*

41. A call shall be deemed to have been made at the time when the Resolution of the Directors authorising such calls was passed at a Meeting of Directors and may be made payable by the members on the Register of Members, on a subsequent date to be fixed by the Directors. *When calls deemed to have been made*
42. Fifteen days' notice of any call shall be given, specifying the time and place of payment and to whom such call shall be paid 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 Calls*
43. If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by instalments at fixed times, whether on account of the nominal amount of the share or by way of premium every such amount or instalment shall be payable as if it were a call duly made by the Directors and payable on the date on which by the terms of issue such sum becomes payable and of which due notice has been given. In case of non-payment of such sum, all the relevant provisions herein contained 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. *When amount payable*
44. 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 or allottee of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same from the day appointed for payment thereof to the time of actual payment at the rate of 9% per annum or at such lower rate as the Directors may determine. The Directors shall be at liberty to waive the payment of any such interest wholly or in part. *When interest on call or instalment payable*
45. 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 shareholders who for some reason or other cause, the Directors may deem fairly entitled to such extension but no shareholders shall be entitled to such extension save as a matter of grace and favour. *Directors may extend time*
46. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. *Liability of joint holders*

47. On the trial or hearing of any action for the recovery of any money due for any call it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders of the shares in respect of which such debt accrued; that the Resolution making a call is duly recorded in the minute book; and that notice of such calls was duly given to the member sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt. *Evidence in action for sell*
48. The Directors may, if they think fit, receive from any member willing to advance the same, the whole or any part of the amount remaining unpaid on any 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 (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) six percent per annum as the member paying such sum in advance and the Directors may agree upon and the Directors may at any time, repay the amount so advanced upon giving to such member three months' notice in writing. The members making such advance payment shall not, however be entitled to any voting rights, in respect of the moneys so paid by him until the same would, but for such payment become presently payable, nor shall be entitled in respect thereof to dividend or to participate in profits. *Payment of calls in advance*
49. Particulars of (a) amount called upto the date of Company's Annual General Meeting on each share, (b) the total amount of calls paid and received upto that date and (c) the total amount of calls unpaid at that date shall be shown in the Annual Return. *Particulars of calls paid and not paid to be shown in annual return*
50. Subject to provisions of Section 55 of the Act, the Company shall have power to issue Preference Shares liable to be redeemed in any manner permissible under the Act and the Directors may exercise such power in any manner as they think fit and provide for redemption of such *Redeemable Preference Shares*



shares on such terms including the right to redeem at a premium or otherwise as they think fit.

51. Subject to provisions of Section 55 of the Act, in the issue of Redeemable Preference Shares under the provisions of Article 50, the following provisions shall take effect;

*Provisions in  
case of  
Redeemable  
Preference  
Shares*

- (a) no such preference shares shall be issued which are irredeemable. Where any such preference share has been issued it shall have to be redeemed within a period not exceeding twenty years from the date of their issue.
- (b) no such shares shall be redeemed except out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- (c) no such shares shall be redeemed unless they are fully paid
- (d) 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;
- (e) 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 Account, to be called "The Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of a company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.
- (f) Subject to the provisions of Section 55 of the Act, the redemption of Preference Shares may be effected in accordance with the terms and conditions of their use and failing that, in such manner as the Board of Directors may think fit and the Company may issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued;
- (g) Whenever the Company shall redeem any Redeemable Preference Shares, the Company shall, within thirty days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

- (h) The capital redemption reserve account may, notwithstanding anything in this section, 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. For the purposes of the same Section, Rule 9 of The Companies (Share Capital and Debentures) Rules 2014 shall be made applicable.

## **TRANSFER AND TRANSMISSION OF SHARES**

52. The Company shall keep a book called “The Register of Transfers” and therein shall fairly and distinctly enter the particulars of every transfer or transmission of any shares. *Register of transfer etc*
53. No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. The instrument of transfer of any share shall be duly stamped and be executed by or on behalf of the transferor and by or on behalf of the transferee and shall specify the name, address and occupation if any of the 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 in respect thereof. Shares of different classes shall not be included in the same instrument of transfer. *Execution of transfer etc*
54. The instrument of transfer of any share shall be in writing in the usual common form or in such form as may be approved by or current in any Recognised Stock Exchange/Ministry of Corporate Affairs or as near thereto as circumstances may require. *Form of transfer*
55. Subject to provisions of Section 58 of the Act, the Directors may decline to register transfer of shares on the ground that the share transfer is not of a marketable lot. The marketable lot will be decided in consultation with the concerned Stock Exchange. *The Board may decline to register transfer*

## **SHARES**

56. 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 which *are* dematerialised or may be in dematerialised form. Every forfeited or *Shares to be numbered progressively*

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

57. Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and either at a premium or at par at such times as the Directors may think fit. Option or right to call on shares shall not be given to any person except with the sanction of the Company in General Meeting. *Shares at the disposal of the Directors*
58. Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company as payment for any property sold or transferred or for services rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares. *The Board may issue shares as fully paid up*
59. 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 acceptance of shares within the meaning of these Articles and every person who accepts any shares and whose name is on the Register shall for the purposes of these Articles be a Member. *Acceptance of Shares*
60. The money (if any) which the Directors shall on 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, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly. *Deposit and calls etc. to be a debt payable immediately*
61. If by the conditions of allotment of any share the whole or any part of the amount or issue price thereof shall be payable by instalment, 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 shares or his legal representative. *Instalments on shares to be duly paid*
62. Every member or his heirs, executors and administrators shall pay to the Company the proportion of the capital represented by his share or *Liability of members*

shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Company's regulations require or fix for the payment thereof.

- 63.** 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. *Liability of joint share holders*
- 64.** Except as required by law no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of 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 member. *Trusts not recognised*
- 65.** None of the funds of the Company shall except as provided by Section 67 of the Act be employed in the purchase of its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Section 66 or of Section 242 of the Act or in giving either directly or indirectly and whether by means of a loan, guarantee, the provisions 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 or in loan upon the securities of its shares. *No purchase of or loans on Company's shares*
- 65A.** Notwithstanding anything contained in these Articles and pursuant to the provisions of Sections 68, 69, 70 and other applicable provisions, if any, of the Act, SEBI Guidelines and other applicable guidelines, rules and regulations that may be issued in this regard, the Company may purchase its own shares or other specified securities out of its free reserves or securities premium account or proceeds of any shares or other specified securities or from such other sources as may be prescribed by law from time to time. *Buyback of Shares*

66. (1) Where the Company issues shares at a premia whether for cash or otherwise, a sum equal to the aggregate amount or value of the premia 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 Share Capital of the Company shall except as provided in this Article apply as if the Share Premium Account were paid up Share Capital of the Company.
- (2) The Share Premium Account may notwithstanding anything contained in sub-clause (1) hereof be applied by the Company
- (a) in paying the 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.

*Application of  
premia received  
on shares*

#### **UNDERWRITING AND BROKERAGE**

67. (1) The Company may at any time pay a commission 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 and / 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 percent of the price at which the shares are issued and in the case of debentures one and a half percent of the price at which the debentures are issued;

*Commission for  
placing shares*

- (ii) The amount or rate percent 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 or in a Statement in the form prescribed in the Act signed in like manner as a Statement in lieu of Prospectus and filed before the payment of commission, with the Registrar of Companies 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, and
  - (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.
- (2) Save as aforesaid and save as provided in Section 53 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 subscription whether absolute or conditional, for any shares in or debentures of the Company.
- (3) Nothing in this clause shall affect the power of the Company to pay such brokerage as is lawful for the Company to pay.
- (4) A vendor promoter, 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 this clause.

(5) The Commission may be paid or satisfied subject to the provisions of the Act and these presents in cash or in shares or debentures of the Company.

68. Where the Company had paid any sum by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any debentures such statement thereof as required shall be made in the Annual Return to be made by the Company under Section 92 of the Act.

*Commission to be included in the Annual Return*

### FORFEITURE

69. If any member fails to pay any call or instalment of a call on or before the date appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may be accrued and all expenses that may have been incurred by Company by reason of such non-payment.

*If calls or instalment not paid notice may be given*

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

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

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

72. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof shall

*Notice after forfeiture*

forthwith be made in the Register provided however that the failure to give the notice will not in any way invalidate the forfeiture.

- |     |   |  |
|-----|---|--|
| 73. | Any shares so forfeited shall be deemed to be the property of the Company and the Directors may sell, re-allot and otherwise dispose of the same in such manner as they think fit.  | <i>Forfeited shares to become property of the company</i>  |
| 74. | The Directors may at any time before any share so forfeited shall have power to sold, re-allott or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as they may think fit.  | <i>Power to annul forfeiture</i>                           |
| 75. | Any members whose share shall have been forfeited shall, notwithstanding be liable to pay and shall forthwith pay to the Company all calls, instalments, interests and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at the rate of nine percent (9%) per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do. | <i>Arrears to be paid notwithstanding forfeiture</i>       |
| 76. | The forfeiture of a share shall involve the extinction of all interest in and also all claims and demands made against the Company in respect of the share and all other right incidental to the shares except only such of those rights as by these Articles are expressly saved.  | <i>Effect of forfeiture</i>                                |
| 77. | A duly verified declaration in writing that the declarant is a Director, the Manager or Secretary of the Company and that a share in the Company has been duly forfeited on a date in the declaration shall be conclusive evidence of the facts therein stated as against all persons entitled to the share.  | <i>Certificate of forfeiture</i>                           |
| 78. | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and execute a transfer of the share in favour of the person to whom such share is sold, re-allotted in favour of the person or disposed of and the person to whom such share sold, re-allotted or disposed of may not (unless by express agreement) be liable to pay any calls, amounts, instalments, interest and   | <i>Title of purchaser and allottee of forfeited shares</i> |



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

79. 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 Company from thereafter proceeding to enforce a forfeiture of such as herein provided.

*Partial payment  
not be preclude  
forfeiture*

80. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share become 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.

*The Provisions of  
these Articles as  
to forfeiture to  
apply in case of  
non- payment of  
any sum*

#### LIEN

81. The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien thereon only in respect of all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared and payable 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 share to be wholly or in part exempt from the provisions of this clause.

*Company's lien  
on shares*

82. For the purposes of enforcing such lien, the Board of Directors may sell the shares, subject thereto, in such manner as they think fit but no sale

*As to enforcing  
lien by sale*

shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member or the person or persons entitled by transmission of the shares and default shall have been made by him or them in the payment of sum payable as aforesaid for seven days after the date of such notice.

83. The net proceeds of any such sale, after payment of the cost 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 to the person (if any) entitled by transmission of the shares so sold.

*Application of  
proceeds of sale*

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

### **CONVERSION OF SHARES INTO STOCK**

84. The Company by resolution in General Meeting may convert any paid up shares into stock and may convert any stock into paid up shares of any denomination. Where any shares have been converted into stock, the several holders of such stock may, hence forth, transfer their respective interests therein, or any part of such interest in the same manner and subject to the same regulations as and subject to which fully paid up shares in the Company's capital may be transferred or as near thereto as circumstances will admit. But the Directors may from time to time, if they think fit fix the minimum amount of stock transferable and direct that fraction of a Rupee shall not be dealt with power, nevertheless, at their discretion to waive such rules in any particular case.

*Conversion of  
Shares into  
Stock*

85. The stock shall confer on the holder thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company, and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company for the same class as the share from which such stock was converted, but so that none of such privileges or advantages except in the participation in profits of the Company, or in assets of the Company on a winding up, shall be conferred by any such adequate part of stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privilege attached to the shares so converted. All the provisions herein contained shall so far as circumstances will admit, apply to stock as well as to shares.

*Rights of  
Stockholders*

86. Subject to the provisions of Section 92 of the Act, the Company shall within sixty days from the day of which the Annual General Meeting is held prepare and file with the Registrar of Companies:

*Annual Return  
and Financial  
Statements*

- (1) A return in Form set out under Rule 11 of the Companies (Management and Administration) Rules, 2014 or as near thereto as the circumstances will admit signed by both a Director and by Manager or Secretary of the Company and where there are no Manager or Secretary, by two of the Directors of the Company, one of the whom shall be the Managing Director, where there is one, containing the particulars specified in Section 92 of the Act and rules framed thereunder.

Provided that if any of the immediately preceding returns under Section 92 of the Act have given as at the date of the Annual General Meeting with reference to which it was submitted, the full particulars required as to past and present members and the shares held and transferred by them, the return in question may contain any such of the particulars as relate to persons ceasing to be or becoming members since that date and to shares transferred, since the date or to changes as compared with that date in the number of shares held by a member.

- (2) The reference in this Article to the day on which an Annual General Meeting is held or to the date of the Annual General Meeting shall,

where the Annual General Meeting for any year has not been held be constructed as a reference to the latest day on or before which that meeting should have been held in accordance with the provisions of the Act.

- (3) Where the return is filed even though the Annual General Meeting has not been held on or before the latest day by which it should have been held in accordance with the provisions of the Act, the Company shall file with the return a statement specifying the reasons for not holding the Annual General Meeting;
- (4) A Certificate signed by the signatories to the above return stating that the return states the facts as they stood on the day of the Annual General Meeting correctly and completely and that since the day of the last Annual Return the transfer of all the shares and debentures and the issue of all further certificates of shares and debentures, have been appropriately recorded in the books maintained for that purpose
- (5)
  - (i) A copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the annual general meeting of the Company shall be filed with the Registrar of Companies within thirty days of the date of annual general meeting in such manner as prescribed under Section 137 of the Act and Rules framed thereunder with such fees or additional fees as prescribed under the act.
  - (ii) If the financial statements are not adopted at annual general meeting or adjourned annual general meeting, such un-adopted financial statements along with required documents as mentioned in Article 86 (5)(i) shall be filed with the Registrar within thirty days of the date of Annual General Meeting of the Company and the Registrar shall take them in his records as provisional till the financial statements are filed with the Registrar after their adoption in the adjourned annual general meeting.

## MEETINGS

87. (1) (a) The Company shall in each year hold in addition to any other meetings, a general meeting as its Annual General Meeting and shall specify the meeting as Annual General Meeting in the notices calling the same.
- (b) Annual General Meeting shall be held by the Company within six months after the expiry of each financial year, and
- (c) Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next;

*Annual General Meeting*

Unless the Registrar of Companies shall have for any special reason extended the time for holding any Annual General Meeting.

- (2) Every Annual General Meeting shall be called at a time during the 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 Ahmedabad as the Directors may determine.

88. (1) If any default is made in holding the annual general meeting of a company under Section 96, the Tribunal may, notwithstanding anything contained in this Act or the articles of the company, on the application of any member of the company, call, or direct the calling of, an annual general meeting of the company and give such ancillary or consequential directions as the Tribunal thinks expedient.

*Power of Tribunal to call annual general meeting*

Provided that such directions may include a direction that one member of the company present in person or by proxy shall be deemed to constitute a meeting.

- (2) A general meeting held in pursuance of sub-section (1) of Section 96 of the act, shall subject to any directions of the Tribunal, be deemed to be an annual general meeting of the company under this Act.

89. All meetings of the Company other than the Annual General Meeting shall be called “*Extraordinary General Meeting.*”

*Extraordinary General Meeting*

90. The Directors may whenever they think fit, convene an Extraordinary General Meeting.

*Directors may  
call  
Extraordinary  
General Meeting*

- (1) The Directors shall on the requisition of such number of members of the Company as is specified in sub-clause (4) hereof forthwith proceed duly to call an Extraordinary General Meeting of the Company and in the case of such requisition the following provisions shall have effect.
- (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 the 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 as hold at the date of deposit of the requisition not less than one-tenth of such of the Paid-up 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 sub-clause (4) hereof 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 sub-clause is fulfilled.
- (6) If the Directors do not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called by the requisitioners themselves or by such of the 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 at the deposit of the requisition carries the right of voting in regard to the matter referred to in the requisition whichever is less but any meeting so convened shall

not be held after the expiry of three months from the date of the deposit of the requisition provided however that nothing herein contained shall be deemed to prevent a meeting duly commenced before the expiry of the said period of three months from adjourning to some other day after the expiry of that period.

(7) In the case of a meeting at which a resolution is to be proposed as a Special Resolution, the Directors shall be deemed not to have duly convened the meeting if they do not give such notice thereof as is required to be given for a special resolution under Section 114 (2) of the Act.

(8) Any meeting convened under this Article by the requisitionists or any of them shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.

(9) Where two or more persons hold any shares in the Company jointly, a requisition or a notice calling a meeting signed by one or more of them shall for the purpose of this clause have the same force and effect as if it had been signed by all of them.

(10) Any reasonable expenses incurred by the requisitionists, by reason of the failure of the Directors 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.

91. (1) Any General Meeting of the Company whether Annual General Meeting or Extraordinary General Meeting may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as prescribed under Section 101 of the Act and rules framed thereunder.

*Length of notice  
for calling  
meeting*

(2) A General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such 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.

- 92.** Where any items of business to be transacted at any meeting of the Company are deemed to be Special as aforesaid, there shall be annexed to the notice of 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 Promoter, Director, and the Manager, if any, and of every other key managerial personnel shall be set out in the explanatory statement. Where any item of business consists of the according of approval to any document by the meeting, the place and time where such document can be inspected shall be specified in the explanatory statement/Notice of Meeting.

*Explanatory  
statement to be  
annexed to  
notice*

Provided that where any item of Special Business to be transacted at a meeting relates to or affects any other company, the extent of shareholding interest in that other company of every Promoter, Director, Manager if any, and of every other key managerial personnel of the Company, shall be set out in the statement if the extent of such shareholding interest is not less than two percent of the paid up share capital of that other Company.

- 93.** The quorum for a General Meeting
- i. Five members personally present if the number of members as on the date of meeting is not more than one thousand;
  - ii. Fifteen members personally present if the number of members as on the date of meeting is more than one thousand but upto five thousand;
  - iii. Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand.

*Quorum*

When more than one of the joint holders of a share is present, not more than one of them shall be counted for ascertaining the quorum. Several



executors or administrators of a deceased person in whose sole name shares stand shall for the purposes of this Clause be deemed joint holders thereof.

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

*Presence of  
Quorum*

95. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other date and such other time and place as the Board may determine; or the meeting, if called by requisitionists under Section 100 of the Act, shall stand cancelled.

*If quorum not  
present meeting  
to be dissolved  
and when to be  
adjourned*

Provided that in case of adjourned meeting or of a change of day, time or place of meeting under clause (a), the Company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

96. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

*Adjourned  
meeting to  
transact business*

97. (1) The Chairman of the Board of Directors shall be the Chairman at every General Meeting. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declines to take the chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman, and if no Director present be willing to take the Chair, shall on show of hands elect one of the members to be the Chairman of the meeting. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of

*Chairman of  
General  
Meetings*

hands shall exercise all the powers of the Chairman under the said Provisions.

If some other person is elected Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

- |            |   |   |
|------------|---|---|
| <b>98.</b> | No business shall be discussed at any General Meeting except election of a Chairman while the chair is vacant.  | <i>Business confined to election of Chairman while Chair vacant</i>                 |
| <b>99.</b> | A declaration by the Chairman that on a show of hands a resolution has or has not been carried unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the meeting 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. | <i>Chairman's declaration of result of voting by show of hands to be conclusive</i> |

#### **PROXY**

- |             |  |  |
|-------------|--|--|
| <b>100.</b> | No member not personally present shall be entitled to vote on a show of hands unless such member is a company or a corporation present by proxy or by a representative duly authorised under Section 113 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. | <i>No voting of proxy by show of hands</i> |
| <b>101.</b> | Votes may be given either personally or by proxy or in the case of a company or other corporation, by a representative duly authorised as aforesaid.   | <i>Proxy Permitted</i>                     |
| <b>102.</b> | The instrument appointing a proxy shall be in writing and 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 attorney duly authorised by it.  | <i>Instrument of proxy</i>                 |
| <b>103.</b> | Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.  | <i>Member entitled to appoint a proxy</i>  |

- 104.** The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting. *Instrument of proxy to be deposited at office*
- 105.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used. *When vote by proxy valid though authority is revoked*
- 106.** Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in the prescribed form under Companies (Management and Administration) Rules or in such other form as the Directors may approve from time to time. *Form of proxy*
- 107.** Every member entitled to vote at a meeting of the Company or on a resolution to be moved there at, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company. *Members entitled to inspect the proxy*
- 108. (a)** Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting. *Proxy*
- (b)** A proxy shall not be entitled to vote except on a poll.
- 109.** If such instrument of appointment be confined to the object of appointing an attorney or proxy of substitute, it shall remain permanently and for such time, as the Directors may determine, in the custody of the *Custody to instrument of proxy*

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

- 110.** (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 on his own motion, and shall be ordered to be taken on a demand made in that behalf by the persons or person specified below, that is to say :
- Demand for poll*
- (a) by any member or members present in person or by proxy and holding shares in the company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution; or
- (b) by any member or members present in person or by proxy and holding shares in the Company on which an aggregate sum of not less than Rs. 500,000/- has been paid up.
- (2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
- 111.** Subject to the provisions of the Act, the Chairman of the meeting shall have the power to regulate the manner in which a poll shall be taken. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
- Manner of taking poll and result thereof*
- 112.** Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being question relating to the election of a Chairman) shall be taken at such time not exceeding 48 hours from the time when the demand was made as the Chairman of the meeting may direct.
- Time of taking poll*
- 113.** The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- Business may proceed notwithstanding demand for poll*
- 114.** No member shall be entitled to demand a poll or exercise voting rights, if any calls or other sums presently payable by him in respect of any
- Members not entitled to vote will not be*

shares registered in his name have not been paid or in regard to which the Company has exercised any right of lien.

*entitled to demand a poll*

**115.** Where a poll is to be taken the Chairman of the meeting shall appoint one Scrutinizer to scrutinize the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal and from any other cases.

*Scrutinizer at poll*

**116.** 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 to be sole judge of the validity of the vote tendered at poll*

**117. (1)** Subject to the provisions of section 111 of the Act, the Directors' shall on the requisition in writing of such number of members as is hereinafter specified and (unless the Annual General Meeting otherwise resolves) at the expenses of the requisitionists:-

*Circulation of member's resolution*

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

(b) circulate to members entitled to have notice of any General Meeting sent to them, statement with respect to the matter referred to in any proposed resolution or any business to be dealt with at the meeting.

(2) The number of members necessary for requisition under sub clause (1) hereof shall be:

(a) such number of members as represent not less than one tenth of such of the paid up share capital of the company as on that date carries the right of voting; on the resolution or business to which the requisition relates; or

**118.** Where by any provision contained in the Act or in these Presents, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move and any such resolution has been received by it, give its members notice of the resolution in the same manner, as it gives notices of the meeting or if that is not practicable shall give them notice thereof by advertisement in a newspaper having an appropriate circulation not less than seven days before the meeting.

*Special notice*

**119.** The following resolutions shall require special notice:

*Resolution  
requiring special  
notice*

- (1) Resolution under Section 140 of the Act, at an Annual General Meeting appointing as Auditor a person other than a retiring auditor or providing expressly that a retiring auditor shall not be reappointed except where the retiring auditor has completed a consecutive tenure of five years or as the case may be, ten years, as provided under sub-section (2) of Section 139;
- (2) Resolution under Section 169 of the Act, removing a Director or appointing somebody in his stead.

**120.** The Chairman of a General Meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

*Powers to  
adjourn General  
Meeting*

**121.** (1) A copy of every resolution or any agreement, in respect of matters specified in sub-clause (3) of this Article, together with the explanatory statement under section 102, if any, annexed to the notice calling the meeting in which the resolution is proposed, shall be filed with the Registrar within thirty days of the passing or making thereof in such manner and with such fees as may be prescribed within the time specified under Section 403 of the act.

*Registration of  
certain  
documents and  
agreements with  
the Registrar*

Provided that the copy of every resolution which has the effect of altering the articles and the copy of every agreement referred to in sub-section (3) of Section 117 of the act, shall be embodied in or annexed to every copy of the articles issued after passing of the resolution or making of the agreement.

- (2) If a company fails to file the resolution or the agreement under sub-clause (1) of this article before the expiry of the period specified under section 403 of the act, with additional fee, the company shall be punishable with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default, including liquidator of the company, if any, shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.
- (3) The provisions of this article shall apply to-
  - (a) Special resolutions;
  - (b) Resolutions which have been agreed to by all the members of a company;
  - (c) Any resolution of the Board of Directors of a company or agreement executed by a company, relating to the appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a managing director;
  - (d) Resolutions or agreements which have been agreed to by all the members of any class of members or by a particular majority or otherwise in some particular manner required by the act or by these presents;
  - (e) Resolutions passed by a company:
    - i. according consent to the exercise by its Board of Directors of any of the powers under clause (a) and clause (c) of sub-section(1) of section 180;

- ii. Approving the appointment of the Sole Selling Agents under Section 188 of the Act;
- (f) Resolutions requiring a company to be wound up voluntarily passed in pursuance of section 304;
- (g) Resolutions passed in pursuance of sub-section (3) of section 179; and
- (h) The terms and conditions of appointment of a Sole Selling Agent Appointed or other person appointed under Section 188 of the Act;
- (i) Any other resolution or agreement as may be prescribed in the act and rules framed under Section 117 of the act and placed in the public domain.

## MINUTES

- 122.** (1) The Company shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of its Board of Directors and of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
- (2) Each page of every such books shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed:
- (a) in the case of minutes of proceedings of a meeting of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
  - (b) In the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of death or inability of that Chairman within that period, by a director duly authorised by the Board for the purpose.

*Minutes*



- (3) In no case the minutes of proceedings of meeting shall be attached to any such books as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
  - (a) The names of the Directors present at the meeting; and
  - (b) in the case of each resolution passed at the meeting the names of the Directors if any, dissenting from or not concurring on the resolution.
- (7) Nothing contained in sub-clauses (1) to (6) hereof shall be deemed to require inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
  - a. is or could reasonably be regarded as defamatory of any person;
  - b. is irrelevant or immaterial to the proceedings;
  - c. is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

Provided that if a person is found guilty of tampering with the minutes of the proceedings, he shall be punishable with imprisonment for a term which may extend to two years and with fine not less than twenty-five thousand but not exceeding one lakh rupees.

**123.** Minutes of the meeting kept in accordance with the provisions of Article 122 shall be evidence of the proceedings recorded therein.

*Minutes to be evidence*

**124.** Where minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of Article 122 then until the contrary is proved, the meeting shall be deemed to have been duly called and held and all proceedings thereat have duly taken place and in particular, all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

*Presumption to be drawn where minutes duly drawn and signed*

**125. (1)** The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the Registered Office of the Company and shall be open to inspection of any member without charge on each working day of the Company (except Saturday, Sunday and Public Holiday) between the hours to be fixed by the Directors from time to time.

*Inspection of minutes books of General Meeting*

(2) Any member of the Company 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 sub clause (1) hereof on such payment as may be prescribed from time to time.

**126.** 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 matters required by Article 122 hereof to be contained in the Minutes of the proceedings of such meeting.

*Publication of reports of proceedings of General Meetings*

## **DIVIDENDS**

**127. (a)** Subject to the provisions of the Act and these Presents and subject to the right of persons entitled to shares with special rights as to dividend, the profits of the Company which it shall from time to time be determined to distribute in dividends, shall be divisible amongst the members in proportion to the capital paid up on the shares held by them respectively.

*Dividends*

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

- (c) 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.

- |             |  |   |
|-------------|--|---|
| <b>128.</b> | The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment.   | <i>Declaration of Dividends</i>                               |
| <b>129.</b> | No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.   | <i>Restrictions on amount of Dividend</i>                     |
| <b>130.</b> | No dividend shall be payable except out of the profits of the Company.   | <i>Dividend out of profits only and not to carry interest</i> |
| <b>131.</b> | The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.   | <i>Declaration of Directors as to net profit conclusive</i>   |
| <b>132.</b> | The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.   | <i>Interim Dividend</i>                                       |
| <b>133.</b> | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagement in respect of which lien exists.  | <i>Debts may be deducted</i>                                  |
| <b>134.</b> | Any General Meeting declaring a dividend may make a call on the member of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as a dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this clause shall be deemed ordinary business of an Ordinary General Meeting which declares a dividend. | <i>Dividends and call together</i>                            |
| <b>135.</b> | A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.  | <i>Effect of transfer</i>                                     |

- 136.** The Directors may retain the dividends payable upon shares in respect of which any person is under transmission entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same. *Retention in certain cases*
- 137.** No dividend shall be payable except in cash. A dividend payable in cash may be paid by cheque or warrant sent through the post or registered post or speed post or courier or such other mode as prescribed under the act, directed to the registered address of the member entitled to the payment of the dividend or in the case of joint holders to the registered address of that one of the joint holders which is the first named on the Register of Members or to such person and to such addresses as the member or the joint holders may in writing direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible or liable 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 recovery thereof by any other means. The dividend payable may also be paid through electronic mode. *Payment by post, Courier, Electronic mode*
- 138.** Notice of the declaration of any dividend whether interim or otherwise shall give to the holder of registered shares in the manner hereinafter provided. *Notice of Dividend*
- 139.** The Company shall pay the dividend or post the cheque or warrant in respect thereof or use electronic modes to do the same to remit the dividend to the shareholders entitled to the payment thereof within thirty days from the date of the declaration of dividend unless: *Dividend to be paid within thirty days*
- (a) where the dividend could not be paid by reason of the operation of any law;
  - (b) where member has given directions to the Company regarding the payment of the dividend and those directions cannot be complied with;
  - (c) where there is a dispute regarding the right to receive the dividend;

- (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the member;
- (e) where for any reason, the failure to pay the dividend or to post the warrant within the aforesaid period was not due to any default on the part of the Company.

**140.** As regards all dividends unpaid or unclaimed, the Company shall comply with the provisions of Section 124 and 125 of the Act and/or till the time Section 124 and 125 of the Companies Act, 2013 are notified, to comply with the corresponding provisions of the Companies Act, 1956.

*Unclaimed  
Dividend*

### **CAPITALISATION**

**141. (1)** Any General Meeting may upon the recommendation of the Directors, resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of any of the Company's Reserve Accounts or to the credit of the Profit and Loss Account or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend or representing premiums received on the issue of shares standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised funds shall not be paid in cash but shall be applied subject to the provisions contained in clause (2) hereof on behalf of such member either in or towards:

*Power to  
capitalise*

- (a) Paying up any amounts for the time being remaining unpaid on any share held by such members respectively; or
- (b) paying up in full the unissued shares or debentures of the company to be allotted / distributed / credited as fully paid up to and 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);

and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the capitalised sum.

- (2)
  - (a) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of Shares Premium Account;
  - (b) If the company shall have redeemed any Redeemable Preference Shares, all or any part of any Capital Redemption Fund arising from the redemption of such shares; may by resolution of the Company be applied only in paying up in full or in part any new share or any shares that remain unissued to be issued to such member of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- (3) Any General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments were representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.
- (4) Whenever such a resolution under this Article shall have been passed, the Board shall:
  - (a) make all appropriations and applications of the undivided profit resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and
  - (b) Generally do all acts and things required to give effect thereto.
- (5) The Board shall have full power:
  - (a) To make such provisions by the issue of fractional certificate or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions and that fraction of less value than Re. 1 may be disregarded.

(b) to authorise 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 or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised, or the amounts or any part of the amounts remaining unpaid on their existing shares and may vest any such cash or specific assets in trustees upon the trust for the person entitled to the dividend or capitalised fund as may seem expedient to the Board.

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

#### ACCOUNTS

142. (1) The Company shall keep at its Registered Office proper books of account with respect to:

*Books to be kept  
by the Company*

- (a) all sums of money received or expended by the Company and the matters in respect of which the receipt and expenditures take place;
- (b) All sales and purchases of goods by the Company.
- (c) The Assets and Liabilities of the Company.

All or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall, within 7 days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

Provided that any person found tampering with the same shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees or with both.

- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with Provisions of clause (1) if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns are made up to dates at intervals of not more than three months are sent by the branch office to the Company at its Registered Office or other place referred to in Clause (1).
- (3) The books of account and other books and papers shall be open to inspection by any Director during business hours.
- (4) The books of account relating to a period of not less than eight years immediately proceeding the current year together with the vouchers related to any entry in such books of account shall be preserved in good order.
- (5) The books of account and other books and papers of the Company shall, subject to the provisions of Section 206 and 207 be open for inspection during business hours:
  - (a) By the Registrar or;
  - (b) by such officer of Government as may be authorised by the Central Government in this behalf.

**143.** (1) The Directors 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.

*Inspection by  
members*

(2) No member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

**144.** (1) At any Annual General Meeting of the Company the Director shall lay before the company:

*Annual Accounts  
and Balance  
Sheet*

- (a) a Balance Sheet as at the end of the period specified in sub-clause (2) hereof and;
- (b) A profit and loss account for that period



- (2) The Profit and Loss Account shall relate to the period beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than 6 months, or in case where an extension of time has been granted for holding of the meeting under Section 96 of the Act, by more than 6 months and the extension so granted.
- (3) The period to which the account aforesaid relates is referred to in these Presents as a 'financial year' and it may be less or more than a calendar year but it shall not exceed fifteen months provided that it may extend to eighteen months where special permission has been granted in that behalf by the Registrar of the Companies or such other authority as may be prescribed from time to time.

**145.** (1) Every Balance Sheet of the Company shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall, subject to the provisions of Section 129 and 133 of the Act, be in the form set out in Schedule III to the Act or as near thereto as circumstances admit or in such other form as may be approved by the Central Government either generally or in any particular case, and in preparing the Balance Sheet due regard shall be had as far as may be, to the general instructions for preparation of the Balance Sheet under the heading 'Notes' at the end of that part.

*Form and  
contents of  
Balance Sheet  
and Profit &  
Loss Account*

- (2) Every Profit and Loss Account of the Company shall give a true and fair view of the Profit or Loss of the Company for the financial year and shall comply with the accounting standards notified under Section 133 of the act and shall be in the form or forms as may be provided for different class or classes of companies in Schedule III of the Act, so far as they are applicable thereto.
- (3) The Balance Sheet and the Profit and Loss Account of the Company shall not be treated as not disclosing a true and fair view of the state of affairs of the Company, merely by reason of the fact that they do not disclose any matters which are not required to be disclosed by virtue of the provisions contained in the said Schedule III or by virtue of a notification or order issued under Section 129 of the Act.

**146.** (1) Every Balance Sheet and Profit and Loss Account of the Company shall be signed on the behalf of the Board of Directors at least by the Chairperson of the Company where he is so authorized by the Board or by two directors out of which one shall be Managing Director or the Chief Executive Officer, if he is a director in the Company, the Chief Financial Officer and the Company Secretary of the Company, wherever they are appointed.

*Authentication of  
Balance Sheet  
and Profit &  
Loss Account*

- i. The Balance Sheet and Profit and Loss Account shall be approved by the Board of Directors before they are signed on their behalf and before they are submitted to the Auditors for their report thereon;
- ii. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's Report, including the Auditor's separate, special or supplementary report if any, shall be attached thereto.

**147.** (1) There shall be attached to every Balance Sheet laid before the Company in General Meeting, a Report by its Directors which shall include the items/matters as mentioned in Section 134 (3) of the Act

*Directors Report*

- (2) The Board's Report shall, so far as is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of its subsidiaries, deal with any changes which have occurred during the financial year;
  - (a) In the nature of the Company's affairs;
  - (b) in the Company's subsidiaries or in the nature of the Business carried on by them; and
  - (c) generally in the classes of business in which the Company has an interest.
- (3) The Board's Report shall, subject to the provisions of Section 134 of the Act include a statement showing the name of every employee of the Company;
  - (a) if employed throughout the financial year was in receipt of the remuneration for that year which, in the aggregate, was not less

than such sums as may be prescribed by the Central Government from time to time; or Government from time to time; or

(b) if employed for part of a financial year was in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than such sums as may be prescribed by the Central Government from time to time. Such statement shall also indicate;

i. whether any such employee is a relative of any Director or Manager of the Company and, if so, the name of such Director;

ii. Such other particulars as may be prescribed.

(4) The Board's Report and any annexures thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised shall be signed by at least two directors, one of whom shall be a Managing Director.

**148.** (1) A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every other document required by law to be annexed or attached, as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting shall, not less than twenty-one days before the date of the meeting be sent on to every member of the Company, to every holder of debentures, if any; issued by the Company (not being debentures which ex-facie are payable to the bearer thereof, to every trustee for the holders of any debenture issued by the Company) whether such member, holder or trustee is or is not entitled to have notice of General Meeting of the Company sent to him and to all persons other than such members, holders or trustees being persons so entitled. Provided that it shall not be necessary to send copies of the documents aforesaid:

*Right of member  
to copies of  
Balance Sheet  
etc.*

(i) to a member or holder of debentures of the Company who is not entitled to have notice of General Meeting of the Company sent to him and of whose address the Company is unaware;

- (ii) to more than one of the joint holders of any shares or debentures none of whom is entitled to such notices as sent to him;
- (iii) in the case of joint holders of any shares or debentures some of whom are and some of whom are not entitled to have such notices sent to them, to those who are not so entitled.

Provided that if the copies of the documents aforesaid are sent less than twenty-one days before the date of the meeting they shall notwithstanding the fact, be deemed to have been duly sent if it is so agreed by all the members entitled to vote at the meeting.

- (2) Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Balance Sheet sent to him shall, on demand be entitled to be furnished without charge, and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand accompanied by the payment of a fee of one Rupee, be entitled to be furnished with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereat including the Profit and Loss account and Auditor's Report.

- 149.** (1) The Company shall within thirty days from the date on which the Balance Sheet and Profit and Loss Account have been laid before the Company at the Annual General Meeting or where the Annual General Meeting for any year has not been held, within thirty days from the latest day on or before which that meeting should have been held in accordance with the provisions of the Act file with the Registrar of Companies copy of the Balance Sheet and the Profit and Loss Account signed in accordance with Article 146(1) of the Act .

*Copies of  
Balance Sheet  
etc. to be filed  
with Registrar*

- (2) If any Annual General Meeting of the Company before which the Balance Sheet is laid as aforesaid does not adopt the Balance Sheet or if the Annual General Meeting of the Company for any year has not been held, a statement to that effect and all the reasons therefor shall be annexed to the Balance Sheet and to the copies thereof required to be filed with the Registrar of Companies.

## AUDIT AND AUDITORS

### *Appointment of Auditors*

150. (1) Subject to the provisions of Section 139 of the Act, the Company shall at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be such as prescribed under Section 139 of the Act and rules framed thereunder.

Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting:

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it, shall be obtained from the auditor, that the appointment, if made, shall be in accordance with the conditions as prescribed under Sections 139, 141 of the Act and rules framed thereunder.

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141 of the Act and Rules framed thereunder.

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.

- (2) For the purposes of this Article “appointment” includes re-appointment. The Company shall not appoint or re-appoint:
- (a) an individual as auditor for more than one term of five consecutive years; and
  - (b) an audit firm as auditor for more than two terms of five consecutive years:

Provided that:

- i. an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term;
  - ii. an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.
- (3) Notwithstanding anything contained in sub-section (1), the first auditor of a company, other than a Government company, shall be appointed by the Board of Directors within thirty days from the date of registration of the company and in the case of failure of the Board to appoint such auditor, it shall inform the members of the company, who shall within ninety days at an extraordinary general meeting appoint such auditor and such auditor shall hold office till the conclusion of the first annual general meeting.
- (4) Subject to the provisions of sub-section (1) and the rules made thereunder, a retiring auditor may be re-appointed at an annual general meeting, if
  - (a) he is not disqualified for re-appointment;
  - (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
  - (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.
- (5) Any casual vacancy in the office of an auditor shall:
  - (i) in the case of a company other than a company whose accounts are subject to audit by an auditor appointed by the Comptroller and Auditor-General of India, be filled by the Board of Directors

within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting;

- (ii) in the case of a company whose accounts are subject to audit by an auditor appointed by the Comptroller and Auditor-General of India, be filled by the Comptroller and Auditor-General of India within thirty days:

Provided that in case the Comptroller and Auditor-General of India does not fill the vacancy within the said period, the Board of Directors shall fill the vacancy within next thirty days.

- (6) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.

- 151.** (1) The auditor appointed under section 139 may be removed from his office before the expiry of his term only by a special resolution of the company, after obtaining the previous approval of the Central Government in that behalf in the manner prescribed under Section 140 of the Act and rules framed thereunder.

*Removal and  
Resignation of  
Auditor*

Provided that before taking any action under this sub-section, the auditor concerned shall be given a reasonable opportunity of being heard.

- (2) The auditor who has resigned from the company shall file within a period of thirty days from the date of resignation, a statement in the prescribed form with the company and the Registrar, and in case of Companies referred to in Section 139 (5) of the Act, the auditor shall also file such statement with the Comptroller and Auditor-General of India, indicating the reasons and other facts as may be relevant with regard to his resignation.
- (3) If the auditor does not comply with sub-section (2) of Section 139 of the Act, he or it shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.

- 152.** (1) A person shall be eligible for appointment as an auditor of a company only if he is a chartered accountant:

*Eligibility of an auditor*

Provided that a firm whereof majority of partners practicing in India are qualified for appointment as aforesaid may be appointed by its firm name to be auditor of a company.

- (2) Where a firm including a limited liability partnership is appointed as an auditor of a company, only the partners who are chartered accountants shall be authorized to act and sign on behalf of the firm.

- 153.** The following persons shall not be eligible for appointment as an auditor of a company, namely:

*Disqualification of an auditor*

- (a) a body corporate other than a limited liability partnership registered under the Limited Liability Partnership Act, 2008 (6 of 2009);
- (b) an officer or employee of the company;
- (c) a person who is a partner, or who is in the employment, of an officer or employee of the company;
- (d) a person who, or his relative or partner;
  - (i) is holding any security of or interest in the company or its subsidiary, or of its holding or associate company or a subsidiary of such holding company:

Provided that the relative of auditor may hold security or interest in the Company of face value not exceeding one lakh rupees;

- (ii) is indebted to the company, or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of five lakh rupees
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of one lakh rupees;



- (e) a person or a firm who, whether directly or indirectly, has business relationship with the company, or its subsidiary, or its holding or associate company or subsidiary of such holding company or associate company of such nature as prescribed in The Companies (Audit & Auditors) Rules, 2014;
- (f) a person whose relative is a director or is in the employment of the company as a director or key managerial personnel;
- (g) a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its auditor, if such persons or partner is at the date of such appointment or re-appointment holding appointment as auditor of more than twenty companies;
- (h) a person who has been convicted by a court of an offence involving fraud and a period of ten years has not elapsed from the date of such conviction;
- (i) any person whose subsidiary or associate company or any other form of entity, is engaged as on the date of appointment in consulting and specialized services as provided in section 144 of the act.

Where a person appointed as an auditor of a Company incurs any of the disqualifications mentioned in this Article herein above after his appointment, he shall vacate his office as such auditor and such vacation shall be deemed to be a casual vacancy in the office of the auditor.

- 154.** (1) The remuneration of the auditor of a Company shall be fixed in its General Meeting or in such manner as may be determined therein:

*Remuneration of  
an auditor*

Provided that the Board may fix remuneration of the first auditor appointed by it.

- (2) The remuneration under sub-section (1) shall, in addition to the fee payable to an auditor, include the expenses, if any, incurred by the auditor in connection with the audit of the company and any facility extended to him but does not include any remuneration paid to him for any other service rendered by him at the request of the company.

**155.** (1) Every auditor of a company shall have a right of access at all times to the books of account and vouchers of the company, whether kept at the registered office of the company or at any other place and shall be entitled to require from the officers of the company such information and explanation as he may consider necessary for the performance of his duties as auditor and amongst other matters inquire into the following matters, namely:

- a) whether loans and advances made by the company on the basis of security have been properly secured and whether the terms on which they have been made are prejudicial to the interests of the company or its members;
- b) whether transactions of the company which are represented merely by book entries are prejudicial to the interests of the company;
- c) Where the Company not being the investment company or a banking company, whether so much of the assets of the Company as consists of shares, debentures and other securities have been sold at a price less than that at which they were purchased by the Company;
- d) whether loans and advances made by the company have been shown as deposits;
- e) whether personal expenses have been charged to revenue account;
- f) where it is stated in the books and documents of the company that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance sheet is correct, regular and not misleading.

Provided that the auditor of a company which is a holding company shall also have the right of access to the records of all its subsidiaries in so far as it relates to the consolidation of its financial statements with that of its subsidiaries.

- (2) The auditor shall make a report to the members of the company on the accounts examined by him and on every financial statements which are required by or under this Act to be laid before the Company in General Meeting and the report shall after taking into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act or any rules made thereunder or under any order made under sub-section (11) of Section 143 of the Act and to the best of his information and knowledge, the said accounts, financial statements give a true and fair view of the state of the company's affairs as at the end of its financial year and profit or loss and cash flow for the year and such other matters as may be prescribed.
- (3) The auditor's report shall also state:
  - (a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
  - (b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches, if any, not visited by him;
  - (c) whether the report on the accounts of any branch office, if any, of the company, audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;
  - (d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;

- (e) whether, in his opinion, the financial statements comply with the accounting standards;
  - (f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
  - (g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;
  - (h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
  - (i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
  - (j) such other matters as may be prescribed in the Act & Rules thereunder from time to time.
- (4) Where any of the matters required to be included in the audit report under this section is answered in the negative or with a qualification, the report shall state the reasons therefor.
- (5) Every auditor shall comply with the auditing standards.
- (6) The Central Government may prescribe the standards of auditing or any addendum thereto, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949 (38 of 1949), in consultation with and after examination of the recommendations made by the National Financial Reporting Authority:
- Provided that until any auditing standards are notified, any standard or standards of auditing specified by the Institute of Chartered Accountants of India shall be deemed to be the auditing standards.
- (7) If any auditor, cost accountant or company secretary in practice does not comply with the provisions of this Article, he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.

**156.** An auditor appointed under the Act shall provide to the company only such other services as are approved by the Board of Directors or the audit committee, as the case may be, but which shall not include any of the following services (whether such services are rendered directly or indirectly to the Company or its holding Company or subsidiary Company) namely:

*Auditor not to render certain services*

- (a) accounting and book keeping services;
- (b) internal audit
- (c) design and implementation of any financial information system;
- (d) actuarial services;
- (e) investment advisory services;
- (f) investment banking services;
- (g) rendering of outsourced financial services;
- (h) management services; and
- (i) any other kind of services as may be prescribed:

Provided that an auditor or audit firm who or which has been performing any non-audit services on or before the commencement of this Act shall comply with the provisions of this section before the closure of the first financial year after the date of such commencement.

**157.** The person appointed as an auditor of the Company shall sign the auditor's report or sign or certify any other document of the Company in accordance with the provisions of sub-section (2) of section 141, and the qualifications, observations or comments on financial transactions or matters, which have any adverse effect on the functioning of the Company mentioned in the auditor's report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

*Auditor to sign audit reports, etc.*

**158.** All notices of, and other communications relating to, any general meeting shall be forwarded to the auditor of the Company, and the auditor shall, unless otherwise exempted by the Company, attend either by himself or through his authorized representative, who shall also be qualified to be an auditor, attend any general meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor.

*Auditor to  
attend general  
meeting*

**159. (1)** If any of the provisions pertaining to Article 150 to 158 is contravened, the Company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees, or with both.

*Punishment for  
Contravention*

(2) If an auditor of a Company contravenes any of the provisions of Article 150 to 158, the auditor shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees:

Provided that if an auditor has contravened such provisions knowingly or willfully with the intention to deceive the company or its shareholders or creditors or tax authorities, he shall be punishable with imprisonment for a term which may extend to one year and with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.

(3) Where an auditor has been convicted under sub-section (2) of Section 147 of the act, he shall be liable to:

- i. refund the remuneration received by him to the Company; and
- ii. pay for damages to the company, statutory bodies or authorities or to any other persons for loss arising out of incorrect or misleading statements of particulars made in his audit report.
- iii. Punishable with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees.

- (4) Where, in case of audit of a Company being conducted by an audit firm, it is proved that the partner or partners of the audit firm has or have acted in a fraudulent manner or abetted or colluded in any fraud by, or in relation to or by, the Company or its directors or officers, the liability, whether civil or criminal as provided in this Act or in any other law for the time being in force, for such act shall be of the partner or partners concerned of the audit firm and of the firm jointly and severally.

### **CORPORATE SOCIAL RESPONSIBILITY**

- 160.** (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- (2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
- (3) The Corporate Social Responsibility Committee shall,
- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
  - (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
  - (c) monitor the Corporate Social Responsibility Policy of the Company from time to time.
- (4) The Board of every company referred to in sub-section (1) of Section 135 of the act shall:
- (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the Company's website, if any, in such manner as prescribed; under The Companies (Corporate Social Responsibility Policy) Rules, 2014.

- (b) Ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the company.
- (5) The Board of every Company referred to in sub-section (1), shall ensure that the Company spends, in every financial year, at least two per cent. of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section 3 of Section 134, specify the reasons for not spending the amount.

## **DIRECTORS**

- 161.** The number of Directors shall not be less than three or until otherwise Directors determined by a General Meeting, more than fifteen including the special director, debenture director or corporation director, if any.
- 162. Present Directors<sup>#</sup>**

The present directors of the Company are:

*Directors*

- 1) Mr. Khurshed Meherwanji Thanawalla
- 2) Mr. Dirk Wim Joustra
- 3) Mr. Aschwin Nicolai Hollander
- 4) Mr. Marco Philippus Ardeshir Wadia
- 5) Ms. Everdina Herma Slijkhuis
- 6) Mr. Shailesh Chandrakrishna Wani

<sup>#</sup> The Present Directors mean the present directors on the Board of Directors of the Company as on date of adoption of the new set of articles of association at duly convened Annual General Meeting held on 7<sup>th</sup> May, 2015.



163. (i) So long as SPGPrints (as hereinafter defined) held 20 percent of the paid up equity share capital of the Company, SPGPrints shall be entitled to appoint at least one Director to the Board and remove any Director so appointed and appoint another in his place or in the place of any such Directors who resigns or otherwise vacates his office. Such appointment and removal shall be effected by a writing addressed to the Board of Directors of the Company under the hand of the Chairman, Director, Secretary or Treasurer of SPGPrints and the same shall take effect forth-with upon being delivered to the Company. Any director so appointed shall not be required to hold any qualification shares. If at anytime the equity shareholdings of SPGPrints in the Company falls or is reduced for any reason below the aforesaid 20 percent then the right of SPGPrints to appoint a Director as hereinbefore stated shall be such as may be agreed upon between the Directors of the Company and SPGPrints.
- (ii) For the purpose of sub-clause (i) the expression SPGPrints shall be and include:-
- (a) SPGPrints B.V., a Company incorporated under the laws of the Kingdom of Netherlands and having its registered office at Boxmeer, Netherlands;
  - (b) Any body corporate in which SPGPrints has amalgamated or merged; and
  - (c) The parent Company or any subsidiary Company or SPGPrints or the body corporate referred to in sub-clause (b) above.
- (iii) The right of choice of Directors conferred on SPGPrints or any body corporate in which SPGPrints has amalgamated or merged under sub-clause (ii) shall not be determined by reason of any change in the name or style of SPGPrints or any body corporate in which SPGPrints has amalgamated.

**164. Composition of the Board:**

*Composition of  
the Board*

- (a) The Board shall at all times comprise a maximum of 15 Directors, of whom One Director who shall be the Chief Executive Officer/Managing Director/Whole time Director/ Executive Director of the Company.
- (b) The Chairman of the Board shall have a casting vote.
- (c) The Company shall, subject to Law, indemnify all Directors against:
  - i. any act, omission or conduct (including, without limitation, contravention of any Law) of or by the Company, the Promoters or its officials, employees or agents as a result of which, in whole or in part, the Director(s) is made a party to, or otherwise incurs any costs, charges, expenses, damages or loss (collectively "loss"), including loss pursuant to or in connection with any action, suit, claim or proceeding arising out of or relating to any such act, omission or conduct; and
  - ii. any action or omission to act by the Director(s) at the request of or with the consent of the Company, the Promoters, officials, employees or agents.

**165.** The Company shall not increase the number of its Directors beyond the maximum limit fixed by these presents without the approval by way of special resolution. The composition of the Board shall be in consonance with the Act and the Equity Listing Agreement.

*Increase in  
number of  
Directors to  
require Govt.  
Sanction*

**166.** The Board of Directors shall have power at any time and from time to time to appoint any other persons as a Director either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed. Any Directors appointed to fill a casual vacancy shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated. Any Director appointed as

*Power of  
Directors to  
appoint  
Additional  
Directors*

an Additional Director shall hold office only upto the date of the next Annual General Meeting of the Company but shall be eligible for election at such meeting.

- 167.** (1) At every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office
- (2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- (3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
- (4) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place. 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 that meeting or at the previous meeting a resolution for the reappointment 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 reappointed.
  - iii. He is not qualified or disqualified from appointment.

*Retirement of  
Directors in  
Rotation*

- 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-clause (2) of Section 162 of the Act is applicable to the case.

The expression “Retiring Director” in this Article shall mean a Director retiring by rotation.

**168. (1)** Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of the Director) who is proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as such Director, if appointed.

*Consent of candidate for Directorship to be filed with the Company and consent to act as Director to be filed with the Registrar*

(2) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office or an additional or alternate Director or a person filing a casual vacancy in the office of a Director under Section 161 of the Act, appointed as an Additional or Alternate Director or re-appointed as a Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

**169. (1)** A person who is not a Retiring Director in terms of Section 152 of the Act shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him as a Director has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with the deposit of Rs. One lakh or such higher amount as may be prescribed which shall be refunded to such person or as the case may be to such member, if the person

*Right of person other than retiring Directors to stand for Directorship*

proposed succeeds in getting elected as a Director or gets more than 25 % of total valid votes.

- (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, by serving individual notices on the members not less than 7 days before the meeting provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

The expression “Retiring Director” in this Article means a Director retiring by rotation.

- 170.** The Directors may appoint an Alternate Director (not being a person holding any alternate directorship for any other director in the company) to act for a Director (hereinafter in this Article called the Original Director) during his absence for a period of not less than three months from India. Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the act. An Alternate Director shall not be bound to hold any qualification shares. An Alternate Director so appointed shall not hold office as such for a period longer than permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the terms of the Office of the Original Director is determined before he so returns to India, any provisions for the automatic re-appointment of a retiring Director in default of another appointment shall apply to the Original and not the Alternate Director. In case of a Director appointed by SPGPrints under Article 163 hereof, the alternate director to be appointed for such original director shall be a person approved or recommended by SPGPrints.

*Alternate  
Director*

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

*Appointment of  
Directors to be  
voted  
individually*

(2) A resolution moved in contravention of sub-clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved.

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

**172.** (1) A person shall not be capable of being appointed Director of the Company if:

*Disqualification  
of Directors*

- (a) The person is below the age of 21 years;
- (b) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (c) he is an undischarged insolvent;
- (d) he has applied to be adjudicated as an insolvent and his application is pending
- (e) he has been convicted by a court in India of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company

- (f) he has not paid any call in respect of the shares of the Company held by him, whether alone or jointly with others and six months have elapsed from the last day fixed for payment of the call,

- (g) an order disqualifying him, for appointment as Director has been passed by any Court or any Tribunal and the order is in force.
- (h) He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years or
- (i) He has not complied with sub-section 3 of section 152.

(2) No person who is or has been a director of a company which-

- a) Has not filed financial statements or annual returns for any continuous period of three financial years or
- b) Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more,

Shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

Provided that the disqualifications referred to in clauses (e) (g) and (h) of Article 172 (1) shall not take effect-

- i. For thirty days from the date of conviction or order of disqualification;
- ii. Where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of; or
- iii. Where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of.

**173.** The continuing Directors may act notwithstanding any vacancy in their body but if and so long as the number is reduced below the quorum

*Directors may  
act  
notwithstanding  
vacancy*

fixed by the Act or by these Articles for a meeting of the Board, the continuing Director or Directors 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.

- 174.** (1) The office of a Director shall become vacant if:
- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
  - (b) he applies to be adjudged insolvent; or
  - (c) he is adjudged an insolvent or;
  - (d) he is convicted by a Court of any offence involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court or;
  - (e) he fails to pay 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 has by notification in the official gazette removed the disqualification incurred by such failure; or
  - (f) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without obtaining leave of absence from the Board; or
  - (g) 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, accepts a loan or any guarantee or security for a loan from the Company in a contravention of Section 185 of the Act; or
  - (h) he acts in contravention of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested; or

*Office of  
Directors to be  
vacated*



- (i) he fails to disclose his interest in any contracts or arrangements in which he is directly or indirectly interested, in contravention of the provisions of Section 184
- (j) he becomes disqualified by an order of the Court or the Tribunal; or
- (k) he is removed by an ordinary resolution of the Company before the expiry of his period of office, in pursuance of Section 169 of the Act; or
- (l) he having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate Company, ceases to hold such office or other employment in the Company.

(2) All notices of, and other communications relating to, any general meeting shall be forwarded to the auditor of the Company, and the auditor shall, unless otherwise exempted by the Company, attend either by himself or through his authorized representative, who shall also be qualified to be an auditor, any general meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor.

**175.** (1) The Company may, by ordinary resolution remove a Director before the expiry of his period of office after giving him a reasonable opportunity to be heard

*Removal of  
Directors*

Provided he is not a director appointed by the Tribunal under Section 242 of the Act.

Provided that nothing contained in this Article shall apply where the Company availed itself of the option given to it under Section 163 to appoint not less than two-thirds of the total number of directors according to the principle of proportional representation.

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

- (3) On receipt of a notice of a resolution to remove a Director under this clause, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this clause and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests its notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so:
- (a) in any notice of the resolution given to members of the Company state the fact of the representation having been made; and
  - (b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representations by the company)

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

- (5) A vacancy created by the removal of a Director under this clause, may, if he had been appointed by the Company in General Meeting or by the Board be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (2) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he has not been removed as aforesaid.

- (6) If the vacancy is not filled up under sub-clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions of the act and so far as they may be applicable of Article 166 hereof and all the provisions of that Article shall apply accordingly.

Provided that the Director who was removed from office shall not be appointed as a Director by the Board of Directors.

- (7) Nothing in this Article shall be taken:
- (a) As depriving persons removed there under of any compensation or damage payable to him in respect of the termination of his appointment as Director or as per the terms of agreement/contract executed with him or as per the terms of his appointment as a Director, if any, or of any other appointment terminating with that as a Director; or
  - (b) as derogating from any power to remove a Director which may exist apart from this Article.

## **REGISTERS**

**176.** The Company shall keep and maintain the following registers:

*Registers*

- (1) Register of Investments made by the Company but not held in its own name, as required by section 187(3) of the Act and shall keep it open for inspection of any member or debenture- holder of the Company without charge;
- (2) Register of Charge as required by Section 85 of the Act and shall keep it open for inspection of any creditor or member of the Company without fee and to the inspection of any other person on payment of a fee of Re. 1 for each inspection.
- (3) Register and Index of Members under section 88 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of Re. 1 for each inspection.

- (4) Register and Index of Debenture-holders under section 88 of the Act and shall keep it open for inspection of any member or debenture-holder without fee and of any other person on payment of a fee of Re. 1 for each inspection.
- (5) Foreign Register if thought fit as required by Section 88 of the Act and it shall be open to inspection and may be closed and extracts may be taken therefrom the copies thereof may be required in the same manner, mutatis mutandis, as is applicable to the Principle Register.
- (6) Register of Contracts in which Directors are interested as required by section 189 of the Act and shall keep it open for inspection of any member of the Company without charge.
- (7) Register of Directors, Managing Directors, whole-time Directors, Manager and Key Managerial Personnel, as required by Section 170 of the Act and shall keep it open for inspection of any member of the Company without charge and of any other person on payment of a fee of Re. 1 for each inspection.
- (8) Register as to the holdings by Directors and Key Managerial Personnel of Shares and Debentures in the Company, and shall keep it open for inspection of any member or debenture-holder of the Company at the Company's Annual General Meeting.
- (9) Register of loans and Investments made by the Company as required by Section 186 (9) of the Act, and

**177.** The Registers maintained in item (9) of Article 176 shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of Register of Members of the Company as provided for in Item (3) of Article 176.

*Inspection of Registers*

**178.** Copies of entries in the above Registers shall be furnished to the person entitled to the same on payment of 37 paise for every hundred words or fractional part thereof required to be copied. The Company shall give inspection of the above registers to the person entitled to the same on

*Copies of entries in the Registers*

any working day between the hours to be fixed by the Directors from time to time.

- 179.** (1) Every company shall keep at its registered office a register of charges in such form and in such manner as may be prescribed, which shall include therein all charges and floating charges affecting any property or assets of the company or any of its undertakings, indicating in each case such particulars as may be prescribed in the act and rules framed thereunder from time to time.

*Company's  
register of  
charges*

Provided that a copy of the instrument creating the charge shall also be kept at the registered office of the company along with the register of charges.

- (2) The register of charges and instrument of charges, kept under subsection (1) shall be open for inspection during business hours-
- (a) by any member or creditor without any payment of fees; or
  - (b) by any other person on payment of such fees as may be prescribed in the act and rules framed thereunder from time to time.

### **PROCEEDINGS OF DIRECTORS**

- 180.** (A) The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit.
- (B) A meeting of the Board of Directors shall held in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and at least four such meeting shall be held in every year.
- (C) A Director may, and the Managing Director, whole-time Director, Manager or Secretary on the requisition of a Director shall at any time, summon a meeting of the Board.

*Proceedings of  
Directors*

- 181.** Notice of every meeting of the Board of Directors of the Company shall be given of not less than seven days, in writing to every Director for the time being in India and at his usual address in India to every other

*Notice of  
Meetings*

Director and such notice shall be sent by hand delivery or by post or by courier or by electronic means.

Provided that a meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting.

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

The participation of directors in a meeting of the Board or Committee thereof may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.

- 182.** Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

*Decision on questions*

Provided however that no resolution shall be passed by the Board or its Committee in respect of any of the following matters unless the Director appointed by SPGPrints pursuant to Article 163 or his alternate shall have voted in favor of such resolutions or the Director so appointed by SPGPrints or his alternate has given his consent in writing in favor of such matter:

- i. materially deviating from or materially changing the objects or activities of the Company and any substantially expanding of such activities;
- ii. otherwise than in the ordinary course of business, selling, leasing, charging or dealing with the whole or any part of the Company's undertaking, property or assets;
- iii. borrow such amount of money which results in total borrowings in an amount equal to or exceeding the Company's net worth, pledging any

capital stock, bonds, or debentures or mortgaging same as security for such loans;

- iv. authorising projects for the acquisition, addition, replacement, sale, lease or disposal of any items of tangible or intangible property of the Company in excess of Rs. 1,00,00,000/- (Rupees Ten Million);
- v. investing any of the funds of the Company (otherwise than in Trusts securities or on fixed deposit with the Company's bankers or in Government Bonds) or extending the research or production activities of the Company beyond the fields of technology covered by the Agreement;
- vi. issuing options or warrants to purchase the capital stock of the Company;
- vii. becoming a guarantor or surety for obligations of third parties;
- viii. becoming a party to any merger or consolidation;
- ix. appointment of a Committee of Directors, the Managing Director or the Manager and the powers and authorities to be vested in such Committee, the Managing Director or the Manager;
- x. appointment of sole selling agents and sole purchasing agent;
- xi. recommending dividends or any other distribution to the shareholders;

**183.** The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office. The Directors may also appoint a Vice Chairman of the Board of Directors to preside at the meetings of the Board of Directors at which the Chairman shall not be present and determine the period for which he is to hold office. The Chairman and in his absence the Vice Chairman, if any, shall preside over all meetings of the Board if no such Chairman or Vice Chairman is elected, or if at any meeting the Chairman as well as the Vice Chairman is not present, the Directors present shall choose one of themselves to be Chairman of such meeting.

*Chairman of  
Director's  
Meeting*

**184. (1)** The quorum for a meeting of the Board of Directors of a Company shall be one-third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by

*Quorum of  
Board Meeting*

other audio visual means shall also be counted for the purpose of quorum.

- (2) 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 this article for a meeting of the Board, the continuing directors or directors 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 and for no other purpose.
- (3) Where at any time the number of interested directors exceeds or is equal to two third of the total strength of the Board of Directors, the number of directors who are not interested and present at the meeting being not less than two, shall be the quorum during such time. Provided further no quorum for a meeting of the Board shall be constituted unless the Directors appointed in terms of Article 163 and/or their alternates are present at such meeting and SPGPrints may waive this right by a written intimation to the Company.
- (4) Where a meeting of the Board could not be held for want of quorum then, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

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

*Passing of  
resolution by  
circular*

Provided that, where not less than one-third of the total number of directors of the company, for the time being require that any resolution



under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A circulation resolution shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

**186.** All acts done by any meeting of the Directors of a Committee or Committees of Directors, 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 one or more such Directors or of any person acting as aforesaid, or that they or any of them were or was disqualified, or that of such appointments had terminated by virtue of any provision contained in the Act or in the Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and as if his appointment had not been terminated. Provided that nothing herein contained shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

*Act of Directors  
Committee valid*

**187.** The Directors may from time to time subject to the provisions of the Act fix the remuneration/sitting fees to be paid to any member or members of their body constituting a Committee appointed by the Board and may pay the same.

**188.** The Directors may, subject to the provisions of the Act and these Articles, delegate any of their powers to a Committee or Committees consisting of such member or members of their body as they think fit and 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 upon it by the Board of Directors. The meeting and proceedings of any such Committee consisting of two or more members, shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under this Article.

*Power to  
appoint  
Committee and  
delegate*

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

- (a) sell, lease, or otherwise dispose of the whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings;
- (b) remit or give time for the re-payment of any debt due from a Director;
- (c) borrow money, where the money to be borrowed, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up share capital and free reserves of the Company.
- (d) invest, otherwise than in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- (e) contribute to bonafide charitable and other funds any amounts the aggregate of which will in any financial year exceed five percent of its average net profits as determined in accordance with the provisions of Section 198 of the Act for the three immediately preceding financial years.

(2) Any resolution passed by the Company in General Meeting permitting any transaction referred to in clause (a) of sub-clause (1) hereof may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from such transaction.

(3) Any resolution passed by the Company in General Meeting permitting any transaction referred to in clause (c) of sub-clause (1) hereof shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

(4) Every resolution passed by the Company in General Meeting in exercise of power referred to in clause (e) of sub-clause (1) hereof shall specify

the total amount up to which moneys may be contributed by the Board of Directors to charitable and other funds in any financial year.

- 190.** (1) The Company shall not enter into an arrangement by which:
- (a) a director of the company or its holding, subsidiary or associate company or a person connected with him acquires or is to acquire assets for consideration other than cash, from the company; or
  - (b) the company acquires or is to acquire assets for consideration other than cash, from such director or person so connected, unless prior approval for such arrangement is accorded by a resolution of the company in general meeting and if the director or connected person is a director of its holding company, approval under this sub-section shall also be required to be obtained by passing a resolution in general meeting of the holding company.
- (2) The notice for approval of the resolution by the company or holding company in general meeting under sub-section (1) shall include the particulars of the arrangement along with the value of the assets involved in such arrangement duly calculated by a registered valuer.
- (3) Any arrangement entered into by a company or its holding company in contravention of the provisions of this section shall be voidable at the instance of the company unless:
- (a) the restitution of any money or other consideration which is the subject-matter of the arrangement is no longer possible and the company has been indemnified by any other person for any loss or damage caused to it; or
  - (b) any rights are acquired bona fide for value and without notice of the contravention of the provisions of this section by any other person.

*Restrictions on  
non-cash  
transactions  
involving  
directors*

## BORROWING POWERS

- 191.** Subject to the provisions of Sections 179 and 180 of the Act and the other provisions of these Articles, the Board of Directors may from time to time at their discretion and by means of resolution passed at their meeting accept deposits from members either in advance of calls or otherwise or borrow or secure the payment of any sum or sums of money for the purpose of the Company provided however that where the moneys to be borrowed, together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) 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, the Directors shall not borrow such moneys without the consent of the Company in General Meeting. Every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow moneys shall specify the total amount upto which moneys may be borrowed by the Board of Directors. No debt incurred by the Company in excess of the limit imposed by this clause 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 this Article has been exceeded.
- Power to Borrow*
- 192.** The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, 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 future) including its uncalled capital for the time being. The Directors shall exercise such power only by means of resolution passed at their meetings and not by circular resolution.
- Conditions on which money can be borrowed*
- 193.** 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*
- 194.** Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and may be issued on
- Debentures*

condition that they shall be convertible into shares of any denomination and with any special privileges as to redemption, surrender, drawings, allotments of shares, attending (but not voting) at General Meetings of the Company, appointment of Directors and otherwise.

Provided however that no debentures with the right to conversion into or allotment of shares shall be issued except with the consent of the Company in General Meeting.

- 195.** If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors may, by instrument under the Company's Seal authorize the person in whose favor such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions herein before contained in regard to calls, shall mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors powers or otherwise and shall be assignable if expressed to be.

*Mortgage of  
uncalled capital*

- 196. (1)** Subject to the provisions of the Act and these Articles, the Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Directors shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum or Articles of Association of the Company or these Presents or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board of Directors shall be subject to the provisions contained in this behalf in the Act or in any other Act or in the Memorandum or Articles of Association of the Company or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting.
- (2)** No regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

*General Powers  
of the Board*

**197.** The Board of Directors shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Directors;

*Certain powers  
exercised by  
Directors only at  
meeting*

- (a) to make calls on shareholders in respect of moneys unpaid on their shares;
- (b) to authorize buy-back of securities under Section 68 of the act;
- (c) to issue securities, including debentures whether in or outside India;
- (d) to borrow moneys otherwise than on debentures;
- (e) to invest funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's Report;
- (h) to diversify the business of the Company
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquiring a controlling or substantial stake in another company;
- (k) to make political contributions;
- (l) to appoint or remove key managerial personnel;
- (m) to appoint internal and secretarial auditor;
- (n) any other matter as may be prescribed in the act and rules framed thereunder from time to time.

Provided that the Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, the whole-time Director, Manager, Secretary or any other principal officer of the Company or in the case of a branch office, if any, of the Company, a principal officer of the branch office of the Company, the power (1) to borrow moneys other than on debentures (2) to invest the funds of the Company and (3) to grant loans or give guarantee or provide

security in respect of loans to the extent and subject as hereinafter specified namely:

- I. every resolution delegating the power to borrow moneys otherwise than on debentures shall specify the total amount up to which moneys may be borrowed by the delegate;
- II. every resolution delegating the power to invest the funds of the Company shall specify the total amount upto which the funds may be invested (except investment in fixed deposit in routine course), and the nature of the investments which may be made by the delegate;
- III. every resolution delegating the power to make loans or give guarantee or provide security in respect of loans shall specify the total amount upto which loans or guarantee or security in respect of loans may be made/provided by the delegate, the purposes for which the loans/guarantee/security may be made/provided, and the maximum amount of loans/guarantee/security which may be made for each such purposes in individual cases.

Nothing in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this article.

- 198.** (1) No director of a Company or any of its key managerial personnel shall buy in the company, or in its holding, subsidiary or associate Company;
- (a) a right to call for delivery or a right to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures; or
  - (b) a right, as he may elect, to call for delivery or to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures.

*Prohibition on forward dealings in securities of Company by Director or Key Managerial Personnel*

- (2) If a director or any key managerial personnel of the Company contravenes the provisions of sub-clause (1) of this article, such director or key managerial personnel shall be punishable with imprisonment for a term which may extend to two years or with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees, or with both.
- (3) Where a director or other key managerial personnel acquires any securities in contravention of sub-clause (1) of this article, he shall, subject to the provisions contained in sub-clause (2) of this article, be liable to surrender the same to the Company and the Company shall not register the securities so acquired in his name in the register, and if they are in dematerialized form, it shall inform the depository not to record such acquisition and such securities, in both the cases, shall continue to remain in the names of the transferors.

**199.** (1) No person including any director or key managerial personnel of a company shall enter into insider trading:

*Prohibition on  
insider trading  
of Securities*

Provided that nothing contained in this sub-section shall apply to any communication required in the ordinary course of business or profession or employment or under any law.

Explanation.—For the purposes of this section:

- (a) “*insider trading*” means
  - (i) an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of company; or
  - (ii) an act of counseling about procuring or communicating directly or indirectly any non-public price-sensitive information to any person.



(b) “*price-sensitive information*” means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company

- (2) If any person contravenes the provisions of this section, he shall be punishable with imprisonment for a term which may extend to five years or with fine which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher, or with both.

### **POWERS OF DIRECTORS**

**200.** Without prejudice to the general powers conferred by Article 196 & 197 and the other powers conferred by these Articles but subject however to the provisions of the Act and the restrictions imposed by these Articles, it is hereby expressly declared that the Board of Directors shall have the following powers:

*Powers of  
Directors*

- (1) To have official seal to use abroad.
- (2) To keep a foreign register in accordance with the provisions of the Companies Act, 2013.
- (3) To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business of spinning, weaving and processing or any other business which the Company is authorized to carry on in any part of India.
- (4) To purchase, take on lease, for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, without or with buildings and outhouses thereon, situate in any part of India, at such price or rent, and subject to such terms and conditions as the Directors may think fit; and in any purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (5) At their discretion to pay for any property, right or privileges acquired by or services rendered to the Company either wholly or partially in

cash, or in shares, bonds, debentures 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 or other securities may be either specifically charged upon all or any part of the property of the Company, its uncalled capital or not so charged.

- (6) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit.
- (7) To accept from any member so far as may be permissible by law, surrender of his shares or stock or any part thereof, on such terms and conditions as shall be agreed.
- (8) To appoint any person or persons (whether incorporated or not incorporated) 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 trustees.
- (9) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or allow time for payment or satisfaction of any debts due and of claims or demands by or against the Company and to refer any claims or demands by or against the Company to arbitration/Court of competent jurisdiction and observe and perform any awards made thereon. Provided however that nothing herein contained shall empower the Directors to remit or give time for the repayment of any debt due to a Director without the consent of the Company in General Meeting.
- (10) To act on behalf of the Company in all matters relating to bankrupts and insolvent.
- (11) To make and give receipts, releases and other discharges for moneys or

properties payable or transferred to the Company and for the claims and demands of the Company.

- (12) To invest and deal with any moneys of the Company not immediately required for purpose thereof upon such security or without security and in such manner as they think fit and from time to time to vary such investments. Provided however that nothing herein contained shall empower the Directors without the consent of the Company in General Meeting, to invest otherwise than in trust securities, the amount of compensation recovered by the Company in respect of the Compulsory acquisition of any such undertaking or as a result of any merger or amalgamation as is referred to in sub-section (1) (b) of Section 180 of the Act, or 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.
- (13) To open current, overdraft, cash credit and fixed deposit accounts with any bank, company, firm or individual and to operate thereon.
- (14) To execute in the name and on behalf of the Company in favor of any Director or other person who may incur, or be about to incur, any personal liability whether as principal or surety for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (15) To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
- (16) To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction and such commission shall be treated as part of the working expenses of the Company.

- (17) 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 donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or service of the Company, or if 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 subsidize and subscribe to any institution, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other Company as aforesaid, and make payment to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
- (18) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company or his widow, children or dependents that may appear to the Directors just or proper whether such employee or his widow, children or dependents have or have not a legal claim upon the Company.
- (19) Not without the consent of the Company in General Meeting to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed five percent of its average net profits as determined in accordance with the provisions of Sections 198 of the Act for the immediately preceding three financial years;
- (20) Before recommending any dividend, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pension, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit.

- (21) Before recommending any dividend, to set aside out of the profit of the Company such sums as they may think proper, for depreciation or to be Depreciation Fund, Insurance Fund, Reserve Fund, General Reserve or Sinking Fund, Development Rebate Reserve, Statutory Development Reserve, Reserve for any Special Fund to meet contingencies or to repay debenture or debenture-stock or for special dividend or for equalizing dividends or for repairing, improving, extending and maintaining any 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 with power from time to time to transfer moneys standing to the credit of one Fund or any part thereof to the credit of any other Fund; and to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of and supply and expend all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Directors in their absolute discretion, think conducive to the interest of the Company and to divide the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds including Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets. If the assets constituting any of the above funds are employed in the business of the Company the Directors may pay or allow to the credit of such funds, interest at such rate as the Directors may think proper but not exceeding 9 percent per annum.
- (22) To appoint and at their discretion remove or suspend such managers, secretaries, officers, technicians, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and to such amounts as they think fit. And also without prejudice as aforesaid from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such

manner as they think fit, and the provisions contained in the two next following sub-clauses shall be without prejudice to the general powers conferred by the sub-clause.

- (23) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or out of India and to appoint any person to be members of such Local Board and to fix their remuneration and at any time from time to time to delegate subject to the provisions of Section 179 of the Act, to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, other than their powers to make calls and to issue debentures and to authorize the members for the time being of any such Local Board or any of them, to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions and restrictions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul and vary any such delegation.
- (24) At any time and from time to time, by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the attorney 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 may, if the Directors think fit, be made in favor of the members, or any of the members of any Local Board established as aforesaid or in favor of any Company or the member, directors, nominees or managers or officers of any company or firm or otherwise in favor of any fluctuating body of persons, whether nominated directly or indirectly by the Directors and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys 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.

- (25) For or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient.
- (26) 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 moveable property of the Company either separately or co-jointly also to insure all or any part of the goods, produce, machinery and other articles imported or exported by the Company and to insure loss of profit and standing charges and to insure retrenchment compensation and lay-off liabilities and to insure accidental insurance on all the employees of the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- (27) Subject to hereinabove provided, to subscribe or contribute or authorize 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.

#### **DISCLOSURE OF INTEREST**

- 201.** (1) Every Director of the Company who is in any way whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors.
- (2) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or body corporate, firms or other association of individuals which shall include the shareholding, by giving a notice in writing in Form MBP-1.

*Disclosure of  
interest of  
Directors*

- (3) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into –
- (a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate or is a Promoter, Manager, Chief Executive Officer of that body corporate; or
  - (b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be,

shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting.

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclosed his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

- (4) A contract or arrangement entered into by the Company without disclosure under sub- clause (3) of this article or with participation of a director who is so concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.
- (5) If a director of the company contravenes the provisions of sub-clause (2) or sub-clause (3) of this article, such director shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to one lakh rupees or with both.
- (6) Nothing in this Article shall be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contracts or arrangements with the Company



or shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the Directors of the one company or two or more of them together holds, or hold not more than two percent of the paid up share capital in the other Company.

**202.** (1) Subject to section 184 of the Act, read with Companies (Meeting of Board and its Powers) Rules, 2014, no Director of the Company shall, as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into by or on behalf of the Company, if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does, his vote shall be void.

*Interested  
Director not to  
participate or  
vote in Board's  
Meetings*

(2) Sub-clause (1) shall not apply to:

(a) any contract or indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company.

(b) any contract or arrangement entered into or to be entered into with a public company or private company which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely:

(i) in his being a director of such company and the holder of not more than shares of such number or value therein as is required to qualify him for appointment as director thereof, he having been nominated as such director by the Company; or

(ii) in his being a member of such company holding not more than two percent of its paid up share capital.

**203.** Every Director, Managing Director, whole-time Director, Manager or Secretary of the Company who is appointed to or relinquishes, the office of Director, Managing Director, whole-time Director, Manager or

*Duty of Director  
to make  
disclosure*

Secretary of any other body corporate shall on his appointment or as the case may be relinquishment of such office, disclose to the Company the particulars relating to the office in other body corporate which are required to be specified under the applicable provisions of the Act.

- 204.** A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar regarding the said resignation of director and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting of the company. The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.

*Resignation of  
Directors*

- 205. (1)** Save as otherwise provided in the Proviso to Section 185 of the Act, the Company shall not directly or indirectly, advance any loan, including any loan represented by a book debt to any of its directors or to any other persons as mentioned in sub-clause (a) to (e) below or give any guarantee or provide any security in connection with any loan taken by such director or other persons as mentioned in sub-clause (a) to (e) below:

*Loan to  
Directors*

- (a) any Director of the Company or of the Company which is its holding Company or any partner or relative of any such Director;
- (b) any firm in which such director or relative is partner;
- (c) any private Company of which any such Director is a Director or member;
- (d) any body corporate, at a General Meeting of which not less than twenty five per cent of the total voting power may be exercised or controlled by any such Director or by two or more such directors together; or
- (e) any body corporate, the Board of Directors, Managing Director; or Manager whereof is accustomed to act in accordance with the

directions or instructions of the Board or of any Director or Directors of the Company.

A Director shall for the purposes of this Article include any person deemed to be a Director under the provisions of the Act.

- (2) Any loan made by a company to its wholly owned subsidiary company or any guarantee given or security provided by a company in respect of any loan made to its wholly owned subsidiary company is exempted from the requirements under this article; and
- (3) Any guarantee given or security provided by a company in respect of loan made by any bank or financial institution to its subsidiary company is exempted from the requirements under this article.

Provided that such loans made under sub-clause (2) are utilized by the subsidiary company for its principal business activities.

- 206.** (1) Subject to section 188 of the Act read with Companies (Meeting of Board and its Powers) Rules, 2014 and except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as prescribed in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, no Company shall enter into any contract or arrangement with a related party (as defined in Section 2 (76) of the act) with respect to:

*Related Party  
Transactions*

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, in the company's subsidiary or associate company; and

- (g) underwriting the subscription of any securities or derivatives thereof, of the Company.

Provided that if the paid up Share Capital of the Company shall at any time be not less than Rupees ten crore or such amount as may be prescribed from time to time in the Companies (Meeting of Board and its Powers) Rules, 2014 or transaction exceeding such amount as prescribed from time to time in Companies (Meeting of Board and its Powers) Rules, 2014, in such cases, no such contract or arrangement (If such transactions or arrangements are covered under Section 188 of the act) shall be entered into except with the previous approval of the Company in General Meeting by way of special resolution. .

Nothing contained in sub-clause (1) hereof shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis:

- (2) Where any contract or arrangement as referred to in sub-clause 1 of this article, is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting and if it is not ratified by the Board or as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board.

**207.** (1) Except with the consent of the Company accorded by a Special Resolution.

*Directors not to hold office of profit*

- (a) no Director of the Company shall hold any office or place of profit; and
- (b) no partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private company of which such a Director is a Director or member, and no Director or Manager of such a Private Company shall hold any office or place of profit carrying a total monthly remuneration as may be prescribed in the act and rules framed thereunder from time to

time, except that of Managing Director, Whole-time Director, Manager, or trustees for the holders of debentures of the Company:

- (i) Under the Company; or
- (ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company;

Provided that it shall be sufficient if the Special Resolution according the consent of the Company is passed at the General Meeting of the Company held for the first time after the holding of such office or place of profit; provided further that where a relative of a director or a firm in which such relative is a partner is appointed to the office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the General Meeting aforesaid or within three months from the date of the appointment, whichever is later.

For the propose of this sub-clause a Special Resolution according consent shall be necessary for every appointment in the first instance to an office or place of profit and to every subsequent appointment to such office or place of profit on a higher remuneration not covered by the Special Resolution, except where an appointment on a time scale has already been approved by the Special Resolution.

- (2) Nothing in clause (1) here of shall apply where a relative of a Director or a firm in which such relative is a partner holds any office, or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes Director of the Company.
- (3) Notwithstanding anything contained in Clause (1) hereof;
  - (a) No partner or relative of a Director or Manager;
  - (b) No firm in which such Director or Manager or relative of either,

is a partner; shall hold any office or place of profit in the Company which carries a total monthly remuneration of not less than such amount as may be prescribed in the act and rules framed thereunder from time to time, except with the prior consent of the Company by a Special Resolution and the approval of the Central Government, if any required.

- (4) If any office or place of profit is held in contravention of the provisions of sub-clause (1) thereof, the Director, Partner, relative, firm, private company, or the Manager concerned, shall be deemed to have vacated his or its office as such on and from the date next following the date of the General Meeting of the Company referred to in first proviso to sub-clause (1) hereof or, as the case may be, the date of expiry of the period of three months referred to in the second proviso to the sub-clause (1) hereof, or as the case may be and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.
- (5) Every individual, firm, private company or other body corporate proposed to be appointed to any office or place of profit to which this clause applies shall before or at the time of such appointment, declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways referred to in such-clause (1) hereof.
- (6) Any office or place shall be deemed to be an office or place of profit under the Company within the meaning of this Article
  - (a) In case the office or place is held by a Director, if the Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.
  - (b) In case the office or place is held by as individual other than a

Director or by any firm, private company or, other body corporate, if the individual, firm, private company or body corporate holding it obtains from the Company anything by way of remuneration whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as place of residence or otherwise.

- 208.** (1) Every Company shall keep at its registered office:
- (a) where a contract of service with a Managing or Whole time Director is in writing, a copy of the contract; or
  - (b) where such a contract is not in writing, a written memorandum setting out its terms.
- (2) The copies of the contract or the memorandum kept under sub-clause 1 of this article shall be open to inspection by any member of the company without payment of fee.

*Disclosure to members of Director's interest in contract appointing Manager, Managing Director*

- 209.** (a) Subject to the provisions of Section 197 of the Act, each Director shall be entitled to be paid out of the funds of the Company by way of remuneration for his services, such sum not exceeding the amount prescribed under that Section from time to time as applicable for each meeting of the Board or Committee of the Board, attended by him as may be decided by the Board from time to time.
- (b) In addition to the remuneration payable as above, the Board of Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting such sum as the Board may consider fair compensation for travelling, hotel and other expenses properly incurred by him:
- (i) in attending and returning from meetings for the Board of Directors or any committee or General Meeting of the Company; or
  - (ii) in connection with the business of the Company

*Remuneration of Directors*

- 210.** If any Director be called upon to go or reside out of his usual place of business on the Company's business or otherwise perform extra services or special exertions or efforts, the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board subject to the provisions of the Act and such remuneration may be either in addition to or in substitution for his remuneration above provided.
- Special  
Remuneration*
- 211.** Subject to the provisions of Schedule V of the Act, any provision or any amendment of any provision relating to the remuneration of any Director which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, shall not except as otherwise provided in Section 197 of the Act, have any effect unless approved by the Central Government and the amendment shall become void if and so far as it is disapproved by the Central Government.
- Increase in  
remuneration of  
a Director to  
require Govt.  
consent*
- 212.** If in any financial year the Company has no profits or its profits are inadequate, the Company may:
- Pay its Directors including the Managing or whole-time Director, or its Manager if any, or if there are two or more of them holding office in the Company to all of them together by way of minimum remuneration such sum (exclusive of any fees payable to Directors under section 197 (2) of the Act) as it considers reasonable, subject to the provisions of Section 197 of the Act read with Schedule V of the Act,.
- Minimum  
managerial  
remuneration in  
absence or  
inadequacy of  
profits*
- 213.** The Company shall not appoint or employ any person as Managing Director if he is either the Managing Director or Manager of any other company except as hereinafter provided. The Company may appoint or employ a person as its Managing Director, if he is the Managing Director or Manager of one and of not more than one other Company (including a private company which is not subsidiary of a public company) provided that such appointment or employment is made or approved by a resolution passed at a meeting of the Board of Directors with the consent of all the Directors present at meeting and of which meeting, and of the resolution to be moved there at, specific notice has been given to all the Directors then in India.
- Appointment or  
re-appointment  
of Managing or  
whole time  
Director*



214. Any provisions relating to the remuneration of 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 provisions be contained in the Company's Memorandum or these Presents or in any agreement entered into by the Company or in any resolution passed by the Company in General Meeting or by its Board of Directors shall be effective only if it is within the ceilings prescribed under the Act. If the increased remuneration is exceeding the ceiling prescribed in the act then the same shall be effective subject to such statutory approval as may be required.

*Provision for increasing remuneration of Managing or whole-time Director*

215. (1) Subject to the provisions of Section 196 of the Act, the Company shall not appoint or employ at the same time a managing director and a manager. The directors may from time to time subject to the provisions of the Act appoint one or more of their body to be the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company for a term not exceeding five years at a time and may from time to time remove or dismiss him or them from office and appoint another or other in his or their place or places.

*Managing Director*

Provided where an appointment of a managing director is not approved by the Company at a general meeting any act done by him before such approval shall not be deemed to be invalid.

Provided further that notwithstanding anything contained in this Article, Board shall have power to appoint from time to time, any of its member(s) or any person(s) as President / Managing Director / Whole-time Director / Chief Executive Officer of the Company in consultation with and/ or recommendation of SPGPrints, upon such terms and conditions as the Board thinks fit.

(2) The Managing Director or Managing Directors or Whole-time Director or Whole-time Directors while he or they continues or continue to hold that office, shall be subject to the same provisions as to removal of the other Directors of the Company and he or they shall ipso facto and immediately cease to be a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors if he or they ceases or

cease to hold the office of a Director or Directors for any cause. The resignation tendered by Managing Director/Whole-time Director/Executive Director/CEO shall be effective once the same is accepted by the Board.

- (3) Subject to the provisions of the Act, the remuneration of a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors shall subject to the provisions of any contract between the Company and him or them, be from time to time fixed by the Directors and subject to the provisions of the Act, may be by way of fixed salary or commission and/or in any other mode and may be in addition to the remuneration for attendance at the Board Meetings and any other remuneration which may be provided under any other Articles.
- (4) The Directors may from time to time subject to the provisions of the Act, entrust to or confer upon the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being such of the powers exercisable by the Directors under these Presents or by law, 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 co-laterally with or to the exclusion of or 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 such powers.
- (5) Any Director so appointed shall not be required to hold any qualification shares.

**216.** The Company shall not appoint or employ or continue the appointment or employment of any person as its Managing or whole- time Director who (a) is an undischarged insolvent or has at any time being adjudged an insolvent; (b) suspends or has at any time suspended, payment to his creditors, or makes or has at any time made, a composition with them; or (c) has at any time been convicted by a Court of an offence and sentenced for a period of more than six months or (d) is below the age of twenty one years or has attained the age of seventy years.

*Certain persons  
not to be  
appointed  
Managing or  
whole-time  
Director*

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in general meeting in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

217. No Managing Director shall be appointed for a term exceeding five years at a time but he may be re-appointed, re-employed or his term of office may be extended by further period not exceeding five years on each occasion provided that such re-appointment, re-employment or extension shall not be sanctioned earlier than one year before the expiry of his term.

*Term of a  
Managing  
Director*

### **MANAGEMENT OF BUSINESS**

218. The general management of the business of Company subject to the provisions of the Act and subject to the superintendence, control and directions of the Directors shall be with the Managing Director and/or whole-time Director, and/or any other officer appointed by the Board for the purpose.

*General  
management in  
the hands of  
Managing  
Director and  
whole-time  
Director*

219. Printed or typewritten copy of any resolution of the Board of Directors of the Company or the agreement relating to the appointment, re appointment or renewal of the appointment of the Managing Director and/or whole-time Director varying the terms of any such agreement, executed by the Company and duly certified under the signature of any officer of the Company shall be filed with the Registrar of Companies within thirty days after the making thereof, as required by Section 117 of the Act.

*Agreement  
relating to  
Managing  
Director and/ or  
whole-time  
Director to be  
filed with the  
Registrar*

220. Subject to the general supervision, control and direction of the Board and subject as hereinabove provided, the Managing Director and/or whole-time Director shall have the conduct and management of the business and affairs of the Company and shall have Power and authority on behalf of the Company to acquire any properties, rights and privileges and to make all purchases and sales and to enter into all contracts and execute all agreements or other documents, and to do all other acts and

*Authority of  
Managing  
Director and/ or  
whole-time  
Director*

things usual, necessary or desirable in the management of the affairs of the Company or in carrying out its objects; and shall have power to institute, conduct, defend, compromise, refer to arbitration and abandon legal and other proceedings, claims and disputes in which the Company is concerned and shall have power to appoint and employ in or for the purpose of the transaction and management of the affairs and business of the Company or otherwise for the purposes thereof such managers, experts, secretaries, chemists, technicians. Engineers, brokers, lawyers, clerks, workmen, servants and other employees as they shall think proper with such powers and duties and upon such terms as to duration of office, remuneration otherwise as they shall think fit and from time to time to remove and suspend them or any of them and generally to appoint and employ any person or persons in the services or for the purposes of the Company as they shall think fit upon such terms and conditions as they shall think proper.

- 221.** The Managing Director and/or whole-time Director shall have power to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them and in particular from time to time to provide by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.

*Managing  
Director and/ or  
whole-time  
Director to have  
power to sub-  
delegate*

#### **SEAL**

- 222.** The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power to destroy the same and substitute a new seal in lieu thereof and shall provide for its safe custody and the same shall not be used except by the authority of the Board of Directors or a Committee thereof.

*The Common  
Seal, its custody  
and use*

- 223.** Every deed, document or instrument to which the Common Seal of the Company is required to be affixed, shall be affixed in the presence of two Directors of the Company or One Director and the Secretary of the Company who shall sign every instrument or document to which the common seal is so affixed.

*Affixation of the  
Common Seal  
and execution of  
deeds*

## WINDING UP

- 224.** If the Company shall be winding 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 specie or in kind the whole or any part of the assets of the Company whether they shall consist of the property of the same kind or not. *Distribution in specie on winding up*
- 225.** For the purpose aforesaid the Liquidator may set such value as he deems fair upon every property to be divided as aforesaid and may determine how much divisions can be carried out as between the members or different classes of members. *Value*
- 226.** The Liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the Liquidator with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. *Voting in Trustees*

## INDEMNITY

- 227.** Subject to the provisions of the Act, every Director, Manager, Managing Director, Whole-time Director or other officer of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Managing Director, whole-time Director, Officer or Auditor in which judgment is given in his favor or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court. *Indemnity*
- 228.** Subject to the provisions of the Act, no Director, Auditor, or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt of other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property *Individual responsibility of Directors*

acquired by order of the Directors for and 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 tortious act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

### **SECRECY CLAUSE**

- 229.** Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any details of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Board of Directors, may not be expedient in the interests of the members of the Company to communicate to the public.

*Secrecy Clause*

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

Sr. No.	Names, Addresses, Descriptions, Occupations and Signature of Subscribers	Number of Equity Shares taken by each Subscriber	Signature, Name, Address, Description and Occupation of the Witness
1.	<b>Bhagwati Atul Krishnalal</b> S/o Krishnalal Harilal Bhagwati 17, Shashidhar Dr. Rajaball Patel Road, Bombay-400 026. Occu. : Business Sd/- Atul Bhagwati	1 (One)	<p style="text-align: center;"><b>Dhananjay Kapilashankar Goghari</b> Triveni, 5B, G.B.Road, <b>Bombay 400 054 A.S.</b></p> <p style="text-align: center;">Sd/- D. K. Goghari</p>
2.	<b>Agarwal Jagdish Chand</b> S/o, Mangal Chand "Veenirma", Plot 27, 11th Road, Juhu-Vile Parle Scheme, Bombay-400 056 AS Occu. : Engineer Sd/- J. C. Agarwal	1 (One)	
3.	<b>Bhagwati Prakash Krishnalal</b> S/o, Krishnalal Harilal Bhagwati. 22,Shrimall Society, Navrangpura, Ahmedabad-380 009. Occu. : Business Sd/- Prakash Bhagwati	1 (One)	
4.	<b>Girish Chinubhai Sharedalal</b> S/o, Chinubhai Amratlal Sharedalal 29, Noservan Hall, Station Road, Bombay-400 007 Occu. : Chartered Accountant Sd/- G. C.Sharedalal	1 (One)	
5.	<b>Vakil Jayant Chimanlal</b> S/o, Chimanlal Chhaganlal Vakil Vachha Gandhi Road, Bombay-400 007. Occu. : Solicitors Sd/- J. C. Vakil	1 (One)	
6.	<b>Chandorkar Ramachandra Ganesh</b> S/o, Chandorkar Ganesh Laxman "Prayog" 32, Slon East, Bombay-400 022 DD. Occu. : Service Sd/- R. G. Chandorkar	1 (One)	
7.	<b>Sheopori Auter Narain</b> S/o, Inder Narain Sheopari Beach House, 298-B Cadell Road, Bombay-400 028. Occu. : Service Sd/- A. N. Sheopori.	1 (One)	
	<b>Total</b>	<b>7 (Seven)</b>	

Dated this 14th day of MAY, 1973.