

**Draft**  
**Memorandum of Association**  
**of**  
**Pearl Global Industries Limited<sup>#</sup>**

- I. The Name of the Company is **Pearl Global Industries Limited.**<sup>#</sup>
- II. The Registered Office of the Company will be situated in the State of Delhi.
- III. (A) The objects to be pursued by the Company on its incorporation are:
  1. To carry on the business of manufacturers, fabricators, importers and exporters, wholesale and retail dealers of and in men's, women's and children's clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, pyjama suits, vest, underwears, suits, foundation garments for ladies dresses, brasses, brasseries, maternity belts, knee caps, coats, panties, nighties and so on.
  2. To carry on the business of manufacturers, importers and exporters, wholesale and retail dealers of and in hosiery goods of every kind, nature and description, for men, women and children including vest, underwears, socks, stockings, sweaters, laces, and so on and of all or anything which is used in hosiery goods.
  3. To carry on the business as manufacturers, traders, dealers and exporters of all kinds of fibres and yarn man-made or otherwise, textiles and textile materials natural or otherwise.
  4. To carry on the business of preparing, spinning, doubling, weaving, combing, scouring, sizing, mixing, twisting, bleaching, colouring, knitting, dyeing, printing and finishing whatever fibres or textile substances or any substitute for any of them.
  - @5. To carry on business of providing Training and Development, Skill Development, as Knowledge Trainers and Disseminators, Project and Training Implementing Agencies under various Skill Development schemes of Authorities, Advisors, Consultants in all types of activities, fields, professions, products, industries, markets and areas and to conceptualise the ideas, projects, concepts and advise, consult, train the people for completion of such idea, project or concept for specific assignment from the idea to implementation stage and to carry on the business of recruitment, training, skill development and placement of all kind of personnel in India and abroad.

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<sup>#</sup> *Name of the Company changed vide Special Resolution passed by shareholders through Postal Ballot on 10-03-2012*

<sup>@</sup> *Inserted vide Special Resolution passed by shareholders at the AGM held on 24-09-2018*

**(B) Matters which are necessary for furtherance of the objects specified in clause III(A) are:-**

1. To build, construct, erect, improve, maintain, alter, enlarge, purchase, hire or otherwise acquire or provide any buildings, offices, factories, workshops, plants or machinery, or other things necessary or useful for the purpose or carrying out the above objects of the Company, to purchase, take on lease or otherwise acquire lands and hereditaments, or any tenure, for the objects aforesaid, and to sell, lease or otherwise dispose of any property of the Company.
2. To advance money to any person or persons corporation, at interest, upon the security of freehold or leasehold property by way of mortgage, or upon marketable security and in particular to advance money upon the security of or for the purpose of enabling the person borrowing the same to erect or purchase, or enlarge or repair any house or building, or to purchase any estate or interest in, or to take a demise for any term or terms of year of any freehold leasehold property in India upon such terms and conditions as the Company may think fit.
3. To aid, encourage and promote settling on the property of the company and to colonize the same and for purposes aforesaid to lend, give credit or grant sums of money.
4. To appropriate impart or parts the property of the Company for the purpose of and to build and let shops, offices and other such places of business of all kinds.
5. To refer to arbitration and to institute, defend, compromise, withdraw or abandon, any legal or other proceedings and claims by or against the Company, by its officers or otherwise concerning the affairs of the Company.
6. To enter into agreements with companies, associations, societies, organisations, or persons, foreign or Indian, for securing any of the objects of the Company or for any purpose conducive to any objects.
7. To enter into any partnership, arrangement, for sharing profit union of interests, cooperation, joint ventures, reciprocal concession or otherwise, with any person or Company carrying on or engaged in, or about to carry on or engage in, or any business or transaction capable of being of conducted so as directly or indirectly to benefit this Company.
8. To acquire and undertake the whole or any part of the business property and liabilities of any person or persons or Company, carrying on any business which the Company is authorised to carry on.
9. To act as agents and/or to enter into agreements with any Government, semi Government, quasi-Government or public undertaking or Government owned Company or any authority, municipal or local or any manufacturer, merchant and other that may seem beneficial to the Company's objects and to obtain from such Government, authority or merchants or manufacturer rights, privileges and concessions which the Company may think desirable and carry out, exercise and comply with any arrangements, rights, privileges and concessions.
10. To indemnify members, officers, directors and servants of the Company against proceedings, causes, damages, claims and dividends in respect of anything done, ordered to be done by them for and in the interest of the Company or for any loss, damages or misfortune which shall happen in the execution of the duties of their offices in relation thereto.
11. To invest and deal with the money of the Company by purchasing securities of any other Company, or carrying on any business which this Company is authorised to carry on or in such other manner as may from time to time be determined by the Company and to distribute any of the properties of the Company in specie among the members as may be permissible in law, in the event of its winding up.
12. To promote any Company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.

13. Subject to Section 230 to 240 of the Act, to amalgamate with any of the companies having objects altogether or in part similar those of the Company.
14. Subject to provisions of the Banking Regulation Act, 1949 and Section 73 and other applicable provisions of the Act to borrow raise or secure the payment of money or to receive money on deposit at interest for any of the purposes of the Company, and at such time or times and in such manner as may be thought fit and in particular by the issue of debentures-stock, perpetual or otherwise including debentures or debentures stock, convertible into shares of this or any other Company or perpetual annuities and as security for any such money so borrowed raised or received or of any such debentures or debenture stock so issued, to mortgage, pledge or charge the whole or any part of the property, assets, or revenue and profits of the Company, present or future, including its uncalled capital, by special assignment or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and such other powers as may seem expedient, and to purchase, redeem or pay off any such securities.
15. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures stock, contracts, mortgages, charges, obligation, instruments and securities of any Company or authority, municipal, local or otherwise or any person whomsoever, whether incorporated or not and generally to guarantee or become surities for the performance of any contracts or obligations that may seem beneficial to the Company's objects.
16. To lend money to such persons or companies and on such terms as may seem expedient and in particular to customers of and such others having dealing with the Company, and to guarantee the performance of contracts by any such person or companies.
17. To act, improve, manage, develop, exchange, lease, mortgage or otherwise deal with all or any part of the properties and rights of the Company.
18. To purchase, run and maintain building, machinery, cranes, bull-dozers, pile drivers and such other items capable of being used in any business of the Company and to hire and let out such machineries to any person, Company or authority.
19. To sell the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures, debenture-stock, policies or securities of any other such Company having objects altogether or in part similar to those of this Company.
20. To open accounts with any bank or banks or bankers or shroff and to pay into withdraw money from such account or accounts.
21. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrant, debentures and other negotiable or transferable instruments.
22. To procure the Company to be registered or recognised in any foreign country or place.
23. To do all or any of the above things as are incidental or conducive to the attainment of any or all of the objects mentioned above in any part of India or in any part of the world either as principals, agents, trustees, contractors or otherwise and by or through or in conjunction with trustees, agents, sub contractors or otherwise.
24. To pay out of the funds of the Company all expenses of, and incidental to the formation, registration, advertisement and establishment of the Company and also all expenses attending the issue of any circular of notice and the printing, stamping, circulating of proxies and forms to be filled in by the members of the Company.
25. To create any reserve fund, insurance fund or any other special fund, whether for depreciation of for repairing, insuring, improving, extending or maintaining any property of the Company or for any other such purpose conducive to the interest of the Company.
26. To make donations, to such persons or institutions subject to the provisions of the Companies Act, 2013, in cash or in other assets and in particular to remunerate any person or corporation introducing

business to this Company and to subscribe or guarantee money for charitable or benevolent objects for any exhibition or for any public, general or other objects and to establish and support or aid in the establishment 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 or persons having dealing with the Company or the dependents, relatives, or the connections 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 towards insurance, and to form and contribute to provident and benevolent funds of such persons.

IV. The liability of the member(s) is limited, and this liability is limited to the amount unpaid, if any, on the shares held by them.

V. The authorized Share Capital of the Company is Rs. 84,01,00,000/- (Rupees Eighty-Four Crore and one Lakh only) divided into 5,14,40,000 equity shares of Rs. 10/- (Rupees Ten Only) each, 32,56,000 10.5% non-cumulative preference shares of Rs. 100/- (Rupees one hundred only) each and 10,000 4% non-cumulative redeemable preference shares of Rs. 10/- (Rupees Ten only) each.

We the several persons, whose names and addresses 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 Capital of the Company, set opposite our respective names:-

Name, Description, Occupation and address of each subscribers	Number of type of Subscribed shares	Signatures of Subscriber	Name, address, description and signature of witness or witnesses
1. <b>Mr. Deepak Seth</b> S/o Shri M. L. Seth B-76, Paschimi Marg Vasant Vihar New Delhi (Business)	10 Equity Shares	Sd/-	I witness the signatures of both the subscribers who have signed in my presence at New Delhi  Sd/- (HANS RAJ ARORA) S/o Shri A. N. Arora Chartered Accountant F-45, Bhagat Singh Market New Delhi - 110 001
2. <b>Ms. Payal Seth</b> W/o Shri Deepak Seth B-76, Paschimi Marg Vasant Vihar New Delhi (Business)	10 Equity Shares	Sd/-	
<b>TOTAL</b>	20 Equity Shares (Twenty)		

Place : New Delhi

Dated : 9th day of June, 1989

**Draft**  
**Articles of Association**  
**of**  
**Pearl Global Industries Limited #**

1. Applicability of Table F

- a) The regulations contained in Table "F" in the Schedule I to the Companies Act, 2013, shall apply to the Pearl Global Industries Limited ("Company") only in so far as the same are not provided for or are not inconsistent with these Articles.
- b) The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

**2. Definitions and Interpretation**

**A. Definitions**

Unless the context or the definition herein contained otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof for the time being in force at the date at which these Articles become binding on the Company.

- a) '**Act**' means the Companies Act, 2013 and includes any re-enactment or statutory modification thereof for the time being.
- b) '**Annual General Meeting**' shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.
- c) '**Articles**' or '**Articles of Association**' means and includes these Articles, as amended, added, altered and modified from time to time.
- d) '**Auditors**' means and includes those persons appointed as such for the time being by the Company.
- e) '**Beneficial Owner**' shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act.
- f) '**Board**' or '**Board of Directors**' shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.
- g) '**Board Meeting**' shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
- h) '**Capital**' means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.
- i) '**Chairperson or Chairman**' shall mean such person who acts as chair to the meeting of the Company or chairman of the Company named as such.
- j) '**Company**' means Pearl Global Industries Limited.
- k) '**Company Secretary**' means a company secretary as defined in clause(c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by the company to

perform the functions of a company secretary under the Act.

- l) **'Committees'** shall mean committee of the Board of Directors of the Company formed as per the requirements of applicable law or for any other purpose as board may deem fit.
- m) **'Debenture(s)'** means Debenture(s) as defined in sub-section (30) of Section 2 of the Act.
- n) **'Depositories Act'** shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.
- o) **'Depository'** shall mean a Depository as defined in section 2(1)(e) of the Depositories Act.
- p) **'Directors'** means the directors of the Company for the time being and includes persons occupying the position of directors by whatever name called including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.
- q) **'Dividend'** includes interim and final dividend.
- r) **'Equity Share Capital'** means in relation to the Company, its Equity Share capital within the meaning of Section 43 of the Act, as amended from time to time.
- s) **'Executor'** or **'Administrator'** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Shares or other Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- t) **'Employee Stock Option'** shall have the same meaning as provided under in sub-section (37) of Section 2 of the Act.
- u) **'Extraordinary General Meeting'** shall mean an extraordinary general meeting of the holders of Equity Shares duly called, constituted and any adjourned holding thereof in accordance with the provisions of the Act.
- v) **'Financial Year'** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- w) **'General Meeting'** means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting.
- x) **'Independent Director'** means an independent director referred to in sub-section(6) of section 149 of the Act and applicable provisions of the SEBI Regulations.
- y) **'In writing'** and **'written'** includes printing, lithography and other modes of representing or reproducing words in visible form.
- z) **'Key Managerial Personnel (KMP)'** shall mean the persons as defined in sub-section(51) of Section 2 of the Act.
- aa) **'Law/Laws'** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, notifications, ordinances or orders of any governmental authority, Regulatory authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.
- bb) **'Member'** shall mean a duly registered holder, from time to time, of the Security of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.
- cc) **'Memorandum'** shall mean the Memorandum of Association of the Company, as amended from time to time.
- dd) **'Office'** means the registered office for the time being of the Company.

- ee) **Ordinary Resolution** shall have the meanings assigned to it in Section 114 of the Act.
- ff) **Paid-up** shall include the capital credited as paid up.
- gg) **Person** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- hh) **Postal Ballot** includes voting by Members by postal or electronic mode instead of voting personally by being present for transacting business in a general meeting of the Company, as per the provisions of sub-section (65) of section 2 of the Act.
- ii) **Register of Members** means the Register of Members to be kept pursuant to Section 88 of the Act.
- jj) **The Registrar** means the Registrar of Companies of the State in which the Office of the Company is for the time being situated.
- kk) **Rules** shall mean the rules made under the Act and as notified from time to time.
- ll) **Seal** means the Common Seal(s) for the time being of the Company, if any.
- mm) **SEBI** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 and amendment made thereof.
- nn) **SEBI Regulations** shall mean all the regulations, rules, circulars, notifications, orders, advisory including all forms of communication and amendments, modification or re-enactment to any thereof as applicable to the Company and issued by the SEBI, from time to time.
- oo) **Securities** means securities as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956 and includes any statutory modification or re-enactment thereof, for the time being in force.
- pp) **Share** or **shares** shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.
- qq) **Shareholder** or **member** shall mean any shareholder of the Company, from time to time.
- rr) **Shareholders Meeting** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

## **B. Interpretation**

In these Articles (unless the context requires otherwise):

- a) References to a person shall, where the context permits, include such person's respective successors, legal heirs and permitted assigns.
- b) In "Writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form including electronic mode as provided in the Information Technology Act, 2000 as amended from time to time.
- c) Words importing persons shall include bodies corporate, corporations, companies, individuals, sole proprietorship, unincorporated association, unincorporated organization, association of persons, partnership, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law (whether registered or not and whether or not having separate legal personality) and where the context permits, shall also include such person's respective successors, legal heirs and permitted assigns.
- d) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- e) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.



- f) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- g) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".
- h) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- i) Reference to statutory provisions shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- j) Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.
- k) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

### **3. CAPITAL**

#### **Share Capital & Variation of Rights**

- a) The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association as altered from time to time with power to consolidate, increase, reduce, divide and/or sub-divide its subscribed, authorised, issued and paid-up Share Capital or reclassify them into several classes and attach thereto respectively such preferential, differential, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to Dividend, voting, return of Capital, distribution of assets or otherwise, as may be determined in accordance with the Law and the regulations from time to time of the Company and the provisions of the Companies Act, 2013 for the time being in force including Statutory modifications, amendments or re-enactment of the Act thereof and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may, from time to time, be provided by the regulations / resolutions of the Company and to consolidate or sub-divide or reorganise shares or issue shares of higher or lower denominations.
- b) Except so far as otherwise provided by the conditions of issue or by these Articles, any Share Capital raised by the creation of new Shares, shall be considered as part of the existing Share Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- c) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with section 53 of the Act) at such time as they may, from time to time, think fit to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.

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

- d) Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and SEBI, the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.
- e) If, by the conditions of allotment of any share, the whole or part of the amount 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 shares or by his executor or administrator.
- f) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for 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 Articles require or fix for the payment thereof.

#### **Further issue of shares**

Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-

- a) To persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid-up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:
  - (i) The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.
  - (ii) 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 these Articles above shall contain a statement of this right.
  - (iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.
  - (iv) To employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law. Or
  - (v) To any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in sub-articles (i) or Article (ii) above, either for cash or for a consideration other than cash at a price determined in the manner provided under the regulations issued by SEBI in this regard.

#### **4. DEMATERIALISATION OF SECURITIES**

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

- b) Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.
- c) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
- d) Securities in Depositories to be in fungible form: all Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
- e) Rights of Depositories & Beneficial Owners:
  - (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
  - (ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
  - (iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.
  - (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- f) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them, subject to these Articles.
- g) Register and Index of Beneficial Owners:
  - (i) The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.
  - (ii) The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.
  - (iii) Cancellation of Certificates upon surrender by Person upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its

record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

- h) Service of Documents: notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- i) Allotment of Securities dealt with in a Depository: Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.
- j) Certificate Number and other details of Securities in Depository: Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- k) Provisions of Articles to apply to Shares held in Depository: Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.
- l) Depository to furnish information: Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.
- m) Option to opt out in respect of any such Security: subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
- n) Overriding effect of this Article: Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.
- o) Save as otherwise provided above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- p) Overriding effect of this Article: Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

## **5. POWER TO ISSUE PREFERENCE SHARES**

The Company, subject to the applicable provisions of the Act, shall have the power to issue on a cumulative or noncumulative basis, preference shares in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit.

## **6. COMMISSION FOR PLACING SHARES, DEBENTURES ETC.**

Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

## **7. TRUST NOT RECOGNISED**

Save as herein otherwise provided and subject to provisions of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as required by statutes be bound to recognise any equitable or any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than 3 (three) persons as the joint holders of any share except in the case of executors or trustees of a deceased member.

## **8. BUY BACK ITS OWN SHARES OR GIVE LOANS FOR THE PURPOSE**

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act read with Rules made there under from time to time, by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Buy Back Rules and subject to compliance with the applicable Laws out of (i) its free reserves; or (ii) the securities premium account; or (iii) the proceeds of the issue of any Shares or other specified securities or (iv) otherwise specified by the law for the time being in force.

## **9. REDUCTION OF CAPITAL**

The Company may, subject to the applicable provisions of the Act and applicable SEBI Regulations, from time to time, by special resolution, reduce its Capital and any Capital redemption reserve account or premium account in any manner for the time being authorised by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

## **10. CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

- a) The Company in general meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- c) Where the shares are converted into stock, such provisions of these Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

## **11. ALTERATION OF SHARE CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may from time to time, by an

Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- a) Increase its Share Capital by such amount as it thinks expedient;
- b) Consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares:  
Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.
- 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) Subdivide its existing Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and
- e) Cancel its 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. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.

## **12. VARIATION OF SHAREHOLDERS' RIGHT**

- a) It at any time the share Capital is divided into different classes of shares, rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 48 of the Act and applicable Laws and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall, to the extent consistent, shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- b) The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

## **13. SHARES AND SHARE CERTIFICATES**

- a) The Company shall issue, re-issue and issue share certificate, as the case may be in accordance with the provisions of the Act and other applicable Laws.
- b) The Company shall be entitled to dematerialise its existing Shares, rematerialise its Shares held in the depository and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, and the regulations framed there under, if any.
- c) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- d) When a new share certificate has been issued in pursuance of these Articles, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- e) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be

responsible for rendering an account of these forms to the Board. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

- f) The Secretary of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub article (e) of this Article.
- g) All books referred to in sub-article (f) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- h) If any Shares stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.
- i) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof.
- j) The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than 3 (three) persons as the joint holders of any share except in the case of executors or trustees of a deceased member.

#### **14. REGISTERS TO BE MAINTAINED BY THE COMPANY**

- a) The Company shall keep and maintain at its registered office or such other place as may be allowed under the Act and the Rules, all statutory registers (as and when required) namely, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of contracts and arrangements etc., minutes book of General Meeting , for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.
- b) The registers and documents referred to in (a) and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all Working Days, other than Saturdays, at the registered office of the Company or any other place where the register ,documents or copies of the annual return are kept in the manner as prescribed under the Act and the Rules, by the persons entitled thereto under the Act and Rules, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
- c) Copy or extract of the registers and documents referred to in (a) and copies of annual return, if allowed under the Act or the Rules, can be obtained from the registered office of the Company or any other place where the register ,documents or copies of the annual return are kept in the manner as prescribed under the Act and the Rules by the persons entitled thereto , on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
- d) The foreign register (if any) shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

- e) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.
- f) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board.

## 15. CALLS

- a) The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 49 of the Act, make such calls as the Board thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. All calls shall not be of the uniform amount and the Board may call different amount at different point of time. A call may be payable by instalments. Further the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- b) 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment, provided that before the time for payment of such call, the Board may revoke or postpone the same.
- c) The call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date as shall be fixed by the Board.
- d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- e) The Board may, from time to time at its 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, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- f) When Amount Payable: If by the terms of issue of any share or otherwise any amount is made 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 Board and of which due notice has been given and all the provisions herein contained in respect of calls, forfeiture or otherwise shall relate to such amount or instalment accordingly and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- g) When Interest on Call or Instalment: If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being of the shares in respect of which the call shall have been made, or the instalments shall be due, shall pay interest for the same at the rate of ten percent per annum or such lower rate of interest as the Board may determine from time to time from the day appointed for the payment thereof till the time of actual payment. but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder and the Board shall be at liberty to waive payment of any such interest either wholly or in part.
- h) Evidence in Action by Company Against Shareholder: on the trial or hearing of any action or suit brought by the Company against any shareholder or his legal representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose was on the Register of Members of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the Minute



Book, that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Board who made any call, or that a quorum was present at the Board meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the Company against the Shareholder or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Shareholder or his representatives against the Company that the name of such Shareholder was improperly inserted in the Register of Members or that the money sought to be recovered has actually been paid.

- i) Initial Payment not to Preclude Forfeiture: the Company may enforce a forfeiture of shares under these Articles below notwithstanding the a judgement in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall, from time to time, due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money.
- j) Voting Rights when Calls in Arrears: no member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company 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.
- k) Payment of Calls in Advance: the Board may, if it thinks fit, subject to the provisions of the Act, receive from any member willing to advance the all or any part of the moneys due upon the shares held by him beyond the sum actually called for, and upon the moneys so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares, in respect of which such advance has been made, the Company may pay interest at such rate to the Member paying such sum in advance as the Board may agree upon. Provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such shares in the manner determined by the Board. Provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the members to the Company, on instalments or calls, or in any other manner, the maker of such advance shall be entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to members on account of capital, in accordance with and subject to the provisions of the Act.
- l) No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.
- m) The provisions of these Articles shall mutatis mutandis apply to the calls on Securities of the Company.

## **16. FORFEITURE AND LIEN**

- a) If Call or Instalment not Paid, Notice May be given: If any Member fails to pay any call or instalment of a call or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time, thereafter during such time as the call or instalment remains unpaid or a judgment or decree in respect thereof remain unsatisfied, serve notice on such Member or his legal representatives requiring him to pay the same, together with interest that may have accrued and all expenses that may

have been incurred by the Company by reason of such non-payment.

- b) The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid). The notice shall also state that in the event of non- payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
- c) If the requirements of any such notices aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, other money due in respect thereof, interests and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited shares and not actually paid before the forfeiture subject to applicable provisions of the Act.
- d) When any share have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- e) Any share so forfeited shall be deemed to be the property of the Company, and the board may sell, re-allot or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and the same in such manner as it thinks fit.
- f) The Board may, at any time before any share so forfeited shall have been re-allotted or otherwise disposed off annul the forfeiture thereof upon such conditions as it thinks fit.
- g) A person whose shares have been forfeited shall cease to be a Member in respect of the shares, but shall notwithstanding such forfeiture, remain liable to pay, and shall forthwith pay to the company on demand, all calls, or instalments, interest and expenses and other money 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 such rate as the Board may, from time to time, determine and the board may enforce, (if it thinks fit), the payment thereof, as if it were a new call made at the date of forfeiture.
- h) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- i) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto, in accordance with the provisions of the applicable Laws.
- k) Upon any sale after forfeiture or for enforcing lien in the purported exercise of the powers hereinbefore given, the Board may appoint some persons, to execute an instrument of

transfer of the share sold and cause the purchasers' name to be entered in the Register in respect of the share sold, and the purchasers' shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

- l) The Directors may subject to the provisions of the Act, accept a surrender of any share certificates from or by any Shareholder desirous of surrendering them on such terms as the Directors think fit.

## **17. COMPANY'S LIEN ON SHARES/ DEBENTURES**

- a) The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures. Unless otherwise agreed the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.
- b) For the purposes of enforcing such a lien, the Board may sell such partly Paid-up shares, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said shares be affected by any irregularity or invalidity in the proceedings in reference to the sale of such shares.

Provided that no sale of such Shares shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
  - (ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- c) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale. The fully paid Shares shall be free from all lien and that in the case of partly paid Shares, the Company's lien, if any, shall be restricted to monies called or payable at a fixed time in respect of such shares.
  - d) No Shareholder shall exercise any voting right in respect of any shares or Debentures 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.
  - e) Subject to the Act and these Articles, the right of lien under this Article XV shall extend to other Securities.

## **18. TRANSFER AND TRANSMISSION OF SHARES**

- a) Subject to provisions of the Act, Depositories Act and other applicable laws, transfer or

transmission, as the case may be, of Shares in the Company shall only be allowed in dematerialized form.

- b) The Board shall have power on giving not less than seven days' previous notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular newspaper and in an English newspaper circulating in the city, town or village in which the Office of the Company is situated, is situated and by publishing a notice on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- c) Subject to the provisions of the Act, a person entitled to a share by transmission shall, subject to the right of the Board to retain such Dividends as hereinafter provided in these Articles be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the shares.
- d) In case of the death of any one or more Members named in the Register of Members as the joint-holders of any shares, the survivor, shall be the only Member(s) recognized by the Company as having any title to his interest in such shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability on shares held by him jointly with any other persons.
- e) Subject to applicable Laws, the Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders) or his nominee(s), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India.
- f) Subject to the provisions of Sections 58 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to issue the letter of confirmation in case of transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the intimation of such transmission, was delivered to the Company, send a notice of refusal to the person giving notice of such transmission, giving reasons for such refusal.

Provided that the issuance of letter of confirmation shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

- g) Subject to the provisions of Articles, the Act and other applicable Laws, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, be registered himself as the holder of the shares after obtaining necessary letter of confirmation.
- h) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

- i) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.
- j) Nomination by securities holders: every holder of Securities of the Company holding the Securities in physical form may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- k) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014 or rules issued under the Depositories Act, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.
- l) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- m) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- n) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

## **19. BORROWING POWERS**

- a) The Board may, from time to time, and at its discretion, subject to the provisions of Sections 73, 179 and 180 and other applicable provisions of the Act and of these Articles, by resolution passed at the meeting of a Board the Board shall:
  - (i) accept deposits from Members
  - (ii) borrow money by way of issuance of Debentures;
  - (iii) borrow money otherwise than on Debentures;
  - (iv) accept deposits from Shareholders either in advance of calls or otherwise; andand generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company., Provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from the temporary loans obtained from the Company's bankers in ordinary course of business) exceed the aggregate of the Paid-up capital of the Company its free reserves and securities premium, the Board shall not borrow such money without the consent of the Company in General Meeting by an ordinary resolution.
- b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board (not by circular resolution) shall prescribe including by the issue of

bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company (including its uncalled Capital), both present and future. and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

- c) Subject to the applicable provisions of the Act and these Articles, any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, drawing, attending (but not voting) at the General Meeting, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- d) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board. Company shall have the power to keep in any state or country outside India a branch register of debenture holders resident in that state or country.
- e) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- f) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

## **20. GENERAL MEETING**

### **(A) Annual General Meeting**

In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, subject to the provisions of the Act, not more than 15 (fifteen) months' gap shall elapse between the dates of two consecutive Annual General Meetings.

#### **a) Venue, Day and Time for holding Annual General Meeting**

An Annual General Meeting of the Company shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the meeting shall specify it as the Annual General Meeting.

Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

#### **b) Notice of General Meetings**

- (i) As per the provisions of section 101 of the Act, a General Meeting of the Company may be

called by giving not less than 21 (twenty-one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served and the date of meeting. However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode, in case of annual general meeting, by not less than 95 (ninety-five) percent of the Shareholders entitled to vote at that meeting and in case of any other general meeting, by members of the company holding, majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting. The notice of every meeting shall be given to:

- i. Every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
- ii. Auditor or Auditors of the Company,
- iii. All Directors and
- iv. Such other persons as required under the Act

The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

- (ii) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
- (iii) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (iv) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (v) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (vi) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

#### **(B) Requisition of Extra Ordinary General Meeting**

- a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting or it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, 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 and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty -one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their

number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

- d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- e) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- f) The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.

**(C) No Business to be transacted in General Meeting if Quorum is not present**

The quorum for the General Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act If such a quorum is not present within half an hour from the time appointed for holding the Shareholders' meeting, the meeting, if convened by or upon the requisition of Members shall stand dissolved, but in case of any other General Meeting, the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place as the Board may determine and the agenda for the adjourned General Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

**(D) Chairman of the General Meeting**

- a) As per the provisions of section 104 of the Act, the chairman of the Board shall be entitled to take the Chair at every General Meeting of the Company whether Annual or Extraordinary. If there is no such chairman of the Board, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or if he is unable or is unwilling to act as chairman of the meeting, the Directors present shall elect one of their Members to be the Chairman of the meeting and if no Director be present, or if all the Directors present decline to take the chair, then the Members present shall elect one of their Members, to be the chairman of such meeting.
- b) No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

**(E) Chairman can Adjourn the General Meeting**

The Chairman may, with the consent given in the meeting at which a quorum is present, if so directed by the meeting, adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate, 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.

**(F) Demand or Poll**

- a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless voting is carried out electronically, be decided by way of show of hands. Before or on the declaration of the



result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

- b) In the case of equal votes, the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situated and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- d) Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutinizers as prescribed under the Act and Rules to scrutinise 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 fill vacancies in the office of scrutinizer arising from such removal or from any other cause.
- e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith.
- f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- g) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
- h) 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 in the sole judge of the validity of every vote tendered at such poll.
- i) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- j) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, applicable SEBI Regulations or any other Law, if applicable to the Company.

#### **(G) Corporation Shareholder**

Any corporation or body corporate which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

**(H) Proxy**

- a) A Shareholder may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- b) A Shareholder present by proxy shall be entitled to vote only on a poll.
- c) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.
- d) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

**(I) Vote in Respect of deceased and Insolvent Members**

Any person entitled under these Articles to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or the adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of the right to transfer such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non-composmentis, he may vote whether on a show of hands or at Poll by his committee curator bonis or other legal curator and such last mentioned persons may give their votes in person or by proxy on a poll.

**(J) Votes by Joint Executors Etc.**

Where there are several executors or administrators of a deceased Member in whose sole name any share is registered, any one of such executors or administrators may vote in respect of such share unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote. In such case, the provisions relating to votes of joint-holders contained in these Articles shall.

**(K) Minutes of General Meeting and inspection thereof by Members**

- a) The Company shall cause minutes of all proceedings of every General Meeting to be kept within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that chairman within that period, by a Director duly authorised by the Board for that purpose.
- c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- e) All appointments of officers made at any meeting aforesaid shall be included in the minutes

of the meeting.

- f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the chairman of the meeting (a) is or could reasonably be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- g) Any such minutes shall be evidence of the proceedings recorded therein.
- h) The book containing minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Board may determine, to the inspection of any member without charge. Any member will do inspect the minutes of a General Meeting can do so by giving atleast three working day's advance written notice to the Secretary.

## **21. DIRECTORS**

### **(A) Numbers of Directors**

- a) Subject to the applicable provisions of the Act, the Board of Directors shall consist of not less than three Directors and not more than fifteen Directors. However, the Company may at any time appoint more than fifteen Directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the applicable SEBI Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.
- b) Subject to these Articles, Sections 149, 152 and 164 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors.
- c) The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another qualified Director. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
- d) At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days or for such number of days as may be notified by the Government from time to time in each Financial Year.

### **(B) Debenture Directors**

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

liable to retire by rotation or be removed by the Company, but shall automatically cease and vacate office as a Director if and when the Debentures are fully discharged.

**(C) Independent Directors**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Regulations.

**(D) Appointment of Nominee Director/s**

- a) The Board may appoint any person as a director nominated by any institution, body corporate, investor or any other person in pursuance of the provisions of any Law for the time being in force or of any agreement or arrangement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.
- b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. Also at the option of the nominating party, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and the privileges and subject to the same obligations as any other Directors of the Company.
- c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and the meetings of the committee of which the Nominee Director/s is/are Members, as also the minutes of such meeting. The Corporation shall also be entitled to receive all such notices and minutes.
- d) The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled but if any other fees, commission, money or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and the remuneration in relation to such Nominee Director/s shall accrue to the nominating party and the same shall accordingly be paid by the Company directly to the nominating party. Any expenses that may be incurred by the nominating party or such Nominee Director/s in connection with his/their appointment or directorship shall also be paid or reimbursed by the Company to the nominating party or such Nominee Director/s in connection with his/their appointment or directorship shall also be paid or reimbursed by the Company to the nominating party, or to such Nominee Director/s, as the case may be.

**(E) Appointment of Alternate Director**

Subject to Section 161 of the Act, the Board shall be entitled to nominate an Alternate Director to act for a Director of the Company during such (hereinafter called the "Original Director/s") during director's absence for a period of not less than three months from India. The Board may appoint such a person as an Alternate Director to act for the Original Director (subject to such person being acceptable to the Chairman) during the Original Director's absence. An Alternate Director/s appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director/s return/s to India. If the term of the office of the Original Director/s is determined before he/they so return/s to India, any provision in the Act or in these Articles for the automatic reappointment of Retiring Directors in default of another appointment shall apply to the Original Director/s and not to the Alternate Director.

**(F) Casual Vacancy and Additional Director**

Subject to the applicable provisions of the Act and these Articles, the Board shall have power at any time and from time to time, to appoint any qualified person to be a Director either as an Additional Director to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Person so appointed as an additional Director so appointed shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company at that meeting as a Director subject to the applicable provisions of the Act.

**(G) Qualification of Directors**

A Director shall not be required to hold any qualification share.

**(H) Remuneration of Directors**

- a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole-time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board or any Committee thereof attended by him or remuneration in form of commission or fixed fees in accordance with the applicable provisions of the Act and the Rules.
- c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.

**(I) Special remuneration for extra services rendered by a Director**

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

**(J) Miscellaneous expenses of Directors**

In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

**(K) Continuing Directors**

The continuing Director may act notwithstanding any vacancy in their body, but so that if and so long as their number is below the number fixed by the Articles of the company as the necessary quorum for the Board the continuing Director or Directors as the case may be shall, except for the purposes of increasing the number of directors to that number or for summoning General Meeting, not act for any other purposes.

**(L) Chairman of the Board of Directors**

- a) Subject to the provisions of the Act, the Board of Directors shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

**(M) Disqualification and Vacation of office by a Director**

- a) A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in section 164 and other relevant provisions of the Act. Further, on and after being appointed as a Director and subject to the provisions of the Act, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act.
- b) Subject to the applicable provisions of the Act, 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.

**(N) Retirement of Directors by rotation**

- a) At every Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation in accordance with section 152 of the Act (excluding Independent Directors), or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re- election.
- b) The Directors to retire by rotation shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Provided that and to the extent permissible under the Act and subject to the terms and condition of the appointment, the Managing Director, Joint Managing Director, Deputy Managing Director, Manager, Independent Directors and Whole-Time Director(s) appointed or such other directors nominated pursuant to Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

**22. MANAGING DIRECTORS/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER**

- a) Subject to the provisions of Section 203 of the Act and other applicable provisions of the Act and of these Articles, the Board may, from time to time, appoint one or more of them to be managing director or Joint Managing Director or Whole Time Director or Deputy Managing Director or Manager of the Company on such terms and on such remuneration (in any manner, subject to it being permissible under the Act) as the Board may think fit in accordance with the applicable provisions of the Act and the Rules thereunder.
- b) Subject to the provisions of the Act, the Managing Director or Joint Managing Director or Whole time Director or Deputy Managing Director or Manager of the Company so appointed by the Board shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors unless otherwise provided in the terms and conditions of their appointment, but their office shall be subject to determination ipso facto if they cease from any cause to be a director or if the company in General Meeting resolve that their tenure of the office of Managing Director or Joint Managing Director or Whole time Director or Deputy Managing Director or Manager be so determined.
- c) Subject to the approval of the Board of Directors of the Company, the Chairman of the Board of Directors of the Company can hold the position of the Managing Director and / or the Chief Executive Officer of the Company at the same time.
- d) Power and duties of Managing Director(s)/ Whole Time Director(s) / Executive Director(s)/ Manager : Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director, whole time director(s), executive director(s) or managers for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time-to-time revoke, withdraw, alter or vary all or any of such powers.

**23. PROCEEDINGS OF THE BOARD OF DIRECTORS**

**(A) Meeting of Directors**

- a) At least 4 (four) Board Meetings shall be held in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings.
- b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be prescribed under the Act, 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. Any meeting of the Board held through video conferencing or other audio-visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- c) The Secretary, as directed by a Director, or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- d) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any urgent matters as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not



present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one Independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

- e) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

**(B) Quorum**

Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding directors, if any, whose places may be vacant at the title and any fraction contained in the One-third being rounded off as one), or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio-visual means shall also be counted for the purposes of calculating quorum. provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength, the number of Directors who are not interested, and are present at the meeting, being not less than two, shall be the quorum for such time during such meeting.

**(C) Adjournment of Meeting for Want of Quorum**

If at a meeting of the Board, a quorum is not present then the meeting shall stand adjourned to such day, time and place as the chairman may fix.

**(D) Powers of the Board**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:

- a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of association of the Company.
- b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

Provided that the Board shall not, except with the consent of the Company by a Special Resolution: -

- (i) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
- (ii) Remit, or give time for repayment of, any debt due by a Director;
- (iii) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
- (iv) Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium account.

**c) Certain Powers of the Board:**

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



- (i) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the company.
- (ii) Payment out of Capital: To pay and charge to the capital account of the company any commission or interest lawfully payable thereout under the provisions of Sections 40(6) of the Act.
- (iii) To acquire property: Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights, privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they think fit, and in any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (iv) To pay for property, etc.: At their discretion and subject to the provisions of the Act, to pay for any property, rights, or privileges acquired or services rendered in the Company either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the such amount credited as paid up thereon as may be agreed upon and any such bonds; debentures, mortgages or other securities may be either, specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (v) To secure contracts: To secure the fulfilment 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 uncalled capital for the time being or in such manner as they may think fit.
- (vi) To accept surrender of shares: To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (vii) To appoint Trustees: To appoint any person to accept and to 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 required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- (viii) To bring and defend actions: To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise payment or satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon.
- (ix) To act in insolvency matters: To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (x) To give receipts: To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company.
- (xi) To invest moneys: Subject to the provisions of Sections 179, 180 (1) (c), 185, and 186 of the Act, to invest, deposit and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (xii) To provide for Personal Liabilities: To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety; for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale, and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (xiii) To authorise acceptances: 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 necessary authority for such purpose.

- (xiv) To distribute bonus: To distribute by way of bonus amongst the staff of the Company a share in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.
- (xv) To provide for welfare of employees: To provide for the welfare of Directors or Ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions or funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 180 of the Act. To subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.
- (xvi) To create reserve fund : Before recommending any dividend to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Act, 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 think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think, conducive to the interest of the company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the company or in the purchase or repayment of debentures or debenture- stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

**(E) Committees and delegation by the Board**

- a) Subject to the provisions of the Act, applicable provisions of Law and the applicable SEBI Regulations and these Articles, the Board may from time to time and at any time, delegate any of its powers to a Committee(s) consisting of such director or directors as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part, and either as to persons or purposes, but every Committee of the Board formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board, all acts done by any such committee of the Board in conformity with regulations and in fulfillment of purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board, subject to the provisions of the Act, the

Board may from time to time fix the remuneration to be paid to any member of their body constituting a Committee appointed under this Article and may pay the same.

- b) Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- c) Acts of Board or Committee valid notwithstanding informal appointment All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

**(F) Resolution by Circulation**

- a) A resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the directors or to all the Members of the Committee, as the case may be, at their respective addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by a majority of directors or members of the committee as are entitled to vote on resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.
- b) A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and be recorded in the minutes of such meeting.

**(G) Minutes of Proceedings of Meetings of the Board and Committee**

- a) The Company shall prepare, circulate and maintain minutes of each Board Meeting in accordance with the Act and Rules and such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- b) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

**(H) Power to be exercised by the Board only by meeting**

- a) Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:
  - (i) To make calls on Shareholders in respect of money unpaid on their shares;
  - (ii) To authorise buy-back of securities under Section 68 of the Act;

- (iii) To issue securities, including debentures, whether in or outside India;
  - (iv) To borrow money(ies);
  - (v) To invest the funds of the Company;
  - (vi) To grant loans or give guarantee or provide security in respect of loans; and
  - (vii) Any other matter which may be prescribed under the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and the applicable SEBI Regulations to be exercised by the Board only by resolutions passed at the meeting of the Board.
- b) The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above. In respect of dealings between the company and its bankers the exercise by the company of the powers specified in clause (d) shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day to day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.
- c) The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the restrictions on the powers of the Board under section 180 of the Act.

#### **24. SECRETARY**

Subject to Section 203 of the Act the Board may from time to time appoint, any individual as the Secretary of the company ("Secretary") to perform such duties and functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary of the Company, and to execute any other duties and functions, which may from time to time, be assigned to the Secretary by the Board. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

#### **25. THE SEAL**

##### **(A) The Seal in Custody and Use**

- a) The Board may provide for a Common seal for the purposes of the Company, and shall have power from time to time, to substitute or destroy the same and substitute a new seal in lieu thereof.
- b) Subject to Article 59 (a), the Board may, if a Seal is required to be affixed on any instrument, affix the Seal of the Company, to any instrument by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least 2 (two) Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those 2 (two) Directors and the Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

##### **(B) Deeds How Executed**

Subject to the provisions of the Act and these Articles every deed or other instrument, to which the seal of the company is required to be affixed, by the authority of the resolution of the Board shall, unless the same is executed by a duly constituted attorney of the Company, be signed by at least one director and shall be countersigned by another director or the Secretary or some other person appointed by the Board for the purpose, on every such deed or instrument.

## **26. DIVIDENDS AND RESERVES**

### **(A) Division of Profits**

- a) The profits of the company, subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of Capital paid up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the share held by them respectively. Provided always that, subject as aforesaid, any Capital paid up on a share during the period in respect of which a Dividend is declared shall unless the Board otherwise determine, only entitle the holder of such share to a proportionate amount of such Dividend as from the date of payment.
- b) Subject to the provisions of Section 123 of the Act, the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- c) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- d) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
- e) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this Article as paid on shares.
- f) 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 shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

### **(B) Loss of Dividend Warrants etc.**

The Company may issue a duplicate cheque or Dividend warrant or interest warrant on shareholder or holder of debenture furnishing such indemnity or otherwise as the Board may think proper.

### **(C) Declarations of Interim Dividends**

- a) The Board may, from time to time, pay to the Members such interim Dividends as appear to the Board to be justified by the financial position of the Company.
- b) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
- c) Any one of several Persons who are registered as the joint -holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.
- d) No Dividend shall be declared or paid otherwise by the Company for any financial year out of the profit for that year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these

provisions of the Act and remaining undistributed or out of both provided that the declaration of the Board as to the amount of the net profits shall be conclusive.

- e) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
- f) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- g) No unpaid Dividend shall bear interest as against the Company.

**(D) Unpaid or Unclaimed Dividend**

- a) Subject to the provisions of the Act, if the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank.
- b) Subject to provisions of the Act, any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".
- c) Subject to the provisions of the Act, no unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

**27. CAPITALISATION**

- a) Any General Meeting may, upon the recommendation of the Board, resolve:
  - (i) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution,
  - (ii) That such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
  - (iii) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
    - i. paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
    - ii. paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
    - iii. partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- b) A securities premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.
- c) Resolution for capitalisation of Reserves and issue of fractional certificate:
  - (i) The Board shall give effect to a Resolution passed by the Company in pursuance of these Articles.
  - (ii) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:
  - (iii) make all appropriation and applications of undivided profits (resolved to be capitalized thereby),

- and all allotments and issues of fully paid shares or Securities, if any; and
- (iv) generally do all acts and things required to give effect thereto.
  - (v) The Board shall have full power:
    - i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of Shares or Debentures becoming distributable in fraction; and
    - ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further Shares or Debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
  - (vi) Any agreement made under such authority shall be effective and binding on all such shareholders.

## **28. ANNUAL RETURN**

The Company shall make the requisite annual return in accordance with the provisions of the Act.

## **29. ACCOUNTS AND BOARD'S REPORT**

### **(A) Directors to keep true Accounts**

- a) The Company shall prepare and keep the books of accounts or other relevant books and papers and financial statements for every Financial Year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under applicable Law.
- b) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' as to the state of the Company's affairs and as to the amounts, if any, which it proposes to carry to any reserves in such balance sheet and the amount, if any, which it recommends should be paid by way of dividend; and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report. The Board shall also give the fullest information and explanations in its report aforesaid or in an addendum to that report, on every reservation, qualification or adverse remark contained in the auditor's report and by the company secretary in practice in his secretarial audit report. Where the Board decides to keep all or any of the books of account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
- c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of account.
- d) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized periodical returns, , are sent by the branch office to the Company at its Office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.
- e) The books of account and other books and papers shall be open to inspection by any Director during business hours provided prior written notice of atleast 3 days is given to the Secretary.



**(B) As to inspection of accounts or books by Members**

- a) The Board may 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, and no Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by Law or authorised by the Board.

**(C) Copies shall be sent to each Member**

A copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than 1[twenty-one days] before the date of the meeting.

**30. AUDIT**

- (A) Once at least in every year the books of accounts of the Company shall be examined by one or more Auditor or Auditors.

**(B) Appointment of Auditors**

The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and their appointment, remuneration, rights and duties shall be regulated by the provisions of the Act.

**(C) Auditor's report to be read**

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.

**(D) Audited and approved Balance Sheet and Profit and Loss Account to be conclusive evidence**

Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in Annual General Meeting shall be conclusive, in respect of transactions of the Company for the relevant year.

**31. NOTICES AND DOCUMENTS**

- a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post or by registered post or by courier or by any electronic means to him to his registered address.
- b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of



forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course. A document or notice may be given or served by the Company to or on the joint - holders of a Share by giving or serving the document or notice to or on the joint- holder named first in the Register of Members in respect of the Share.

- c) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- d) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- e) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- f) Where a document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company,. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.
- g) Service on Members having no registered address: if a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.
- h) Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

### **32. WINDING UP**

#### **(A) Distribution of Assets**

- a) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.
- c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **33. SECRECY CLAUSE**

- a) No shareholder shall be entitled to visit or inspect the Company's work without permission of the Directors or to require discovery of any information respectively of any details of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret

process which may be related to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

- b) Duties of the Officer to observe secrecy: every Director, Managing Directors, Manager, Secretary, Auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties, or any time during his term of office, sign a declaration pledging himself or observe a strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declarations pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his official duties except when required so to do by the Board or the Auditors, or by resolution of the Company in the General Meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

#### **34. INDEMNITY**

- a) Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any *bona fide* proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in which relief is granted to him by the Court.
- b) Director's etc. not liable for certain acts: Subject to the applicable provisions of the Act, no Director, Manager or other Officer of the Company shall be liable for any acts, receipts, neglects, or defaults of any other Director, Manager or Officer or for joining in any receipt or other act for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss damage or misfortune whatever, which shall happen in the execution thereof, unless the same shall happen through the negligence, default, misfeasance, breach of the duty or breach of trust of the relevant Director, Manager or Officer.

#### **35. General Authorizations**

- a) Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein).
- b) If pursuant to the approval of these Articles, if the Act requires any matter any matter previously requiring a special resolution is, pursuant to such amendment, required to be approved by an ordinary resolution, then in such a case these Articles hereby authorize and empower the Company and its Shareholders to approve such matter by an ordinary resolution without having to give effect to the specific provision in these Articles requiring a special resolution to be passed for such matter.

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

Name, Description, Occupation and address of each Subscriber	Signature of subscribers	Name, addresses, description, occupation and signature of witness or witnesses
<p>1. <b>Mr. Deepak Seth</b> S/o Shri M. L. Seth B-76, Paschimi Marg Vasant Vihar New Delhi (Business)</p>	<p>Sd/-</p>	<p>I witness the signatures of both the subscribers who have signed in my presence at New Delhi</p> <p>Sd/- (HANS RAJ ARORA) S/o Shri A. N. Arora Chartered Accountant F-45, Bhagat Singh Market New Delhi - 110 001</p>
<p>2. <b>Ms. Payal Seth</b> W/o Shri Deepak Seth B-76, Paschimi Marg Vasant Vihar New Delhi (Business)</p>	<p>Sd/-</p>	

Place : New Delhi

Dated : 9th day of June, 1989