

**ARTICLES OF ASSOCIATION  
OF  
CCL PRODUCTS (INDIA) LIMITED**

**Constitution of the Company**

The regulations contained in Table F in the First Schedule to the Companies Act, 2013 shall apply to the Company except so far as they are contrary to the following Articles, which shall be the regulations for the management of the Company. In the event of any conflict between these Articles and the Regulations in Table F, these Articles shall prevail.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

**1. INTERPRETATION CLAUSE:**

The marginal notes hereto shall not affect the construction hereof. In these regulations, the following words and expressions shall have the following meanings unless excluded by the subject or context:-

- (a) "The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and any previous Company law, so far as may be applicable.
- (b) "Articles" means these Articles of Association or as altered from time to time.
- (c) "Beneficial owner" shall have the meaning assigned thereto by Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
- (d) "Board of directors" or "board" means the collective body of the directors of the company;
- (e) "Company" when used with reference to this Company, shall mean "CCL Products (India) Limited".
- (f) "Depositories Act, 1996" shall include any statutory modification or re-enactment thereof for the time being in force
- (g) "Depository" shall mean a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 ;
- (h) "Director" means a director appointed to the Board of a company.

- (i) "Dividend" includes any interim dividend.
- (j) "In writing" includes printing, lithography, typewriting and any other usual substitutes for writing.
- (k) "Member" in relation to a company, means —
  - (i) the subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;
  - (ii) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;
  - (iii) every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository;
- (l) "Memorandum" means the memorandum of association of a company as originally framed or as altered from time to time in pursuance of any previous company law or of this Act.
- (m) "Month" shall mean an English Calendar Month.
- (n) "Paid-up share capital" means such aggregate amount of money credited as paid-up.
- (o) "Person" shall include any partnership, association, corporation, company as well as individuals.
- (p) "The Register" means Register of Members to be maintained by the Company as required under Section 88 of the Act and where shares are held in dematerialized form, includes the Register of beneficial owners maintained by a Depository.
- (q) "Registrar" means a Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar or an Assistant Registrar, having the duty of registering companies and discharging various functions under this Act.
- (r) "Share" means a share in the share capital of a company and includes stock.
- (s) "Subscribed capital" means such part of the capital which is for the time being subscribed by the members of a company.
- (t) "Special Resolution" shall have the meaning assigned thereto by Section 114 of the Act.
- (u) "Seal" means the common seal of the Company.
- (v) "Whole-Time Director" includes a director in the whole-time employment of the company.

- (w) Words importing the singular shall include the plural and words importing the plural shall include the singular.
- (x) Words importing the masculine gender shall include the feminine gender and vice-versa.

### ***Share Capital and variation of rights***

#### **Capital:**

2. (i) The Authorised Share Capital of the Company be read as is given in Clause V of the Memorandum of Association of the Company.

(ii) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its equity shares, debentures and other marketable securities in accordance with the applicable law and/or regulations promulgated from time to time.

(iii) Every person subscribing to or holding securities of the Company shall have the option to receive the security certificates or to hold the securities in electronic form with a depository.

If a person opts to hold his security with a Depository, the Company shall intimate such Depositories, the details of allotment of the security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate(s) of Securities.

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

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

The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(v) Where the securities are held with a depository, the records of the transfer of securities in the name of the beneficial owner may be served by such depository on the Company by means of electronic mode or by delivery of discs.

#### **Allotment of shares:**

3. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

#### **Share Certificate:**

4. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided –

- (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of such sum for each certificate after the first as may be decided by the Board
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

**Duplicate Certificate:**

5. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

**Splitting and Consolidation:**

6. Any person (whether the register holder of the shares or not) being in possession of any Share Certificate(s) for the time being may surrender the said Share Certificate to the Company and apply to the Company for the issue of two or more fresh share certificates comprising the same shares bearing the same distinctive numbers as were comprised in the said Certificates and in such separate lots as he may desire, in lieu of the such share certificates so surrendered, or for the consolidation of the shares comprised in such surrendered certificates into one certificate.

**Issue of Certificates:**

7. Every certificate of title to the share or shares shall be issued only in accordance with the provisions of Companies (Share Capital and Debentures) Rules, 2014 or any amendment thereof or any provision of law applicable thereto, for the time being in force.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or rules made under the Securities Contract (Regulation) Act, 1956 or any other Act or rules applicable thereof in this behalf.

8. The provisions of Articles (4), (5), (6) and (7) shall *mutatis mutandis* apply to debentures of the company.

**Trust not recognised:**

9. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

**Power to pay commission:**

10. (i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

(iv) The Company can also pay on any issue of shares or debentures, brokerage not exceeding such rate as may be prescribed.

**Variation of rights:**

11. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

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

**Further issue of shares:**

12. (i) The Board of Directors may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the authorized capital of the Company, subject to any directions to the contrary that may be given by the Company in General Meeting:

- a) Such new shares shall be offered to such persons who, as at the date of the offer are holders of the equity shares of the Company, in proposition, as nearly as circumstances admit, to the capital paid up on those shares at that date.

b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer if not accepted will be deemed to have been declined.

c) The offer aforesaid shall be deemed to include 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 above contain a statement of this right.

d) 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 as they think most beneficial to the company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors be conveniently offered under this article.

*ii)* Notwithstanding anything contained in sub-clause (i) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred in clause (a) of sub-clause (i) hereof) in any manner whatsoever:

a) If a special resolution to that effect is passed by the company in general meeting; or

b) Where no such resolution is passed, if the votes cast in favour of the proposal contained in the resolution moved in that general meeting (Including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on any application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

*iii)* Nothing in clause (c) of clause (i) hereof shall be deemed:

a) To extend the time within which the offer should be accepted; or

b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

*iv)* Nothing in this article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:

a) To convert such debentures or loans into shares in the Company; or

b) To subscribe for shares in the Company

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

*(v)* Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

### **Liability of joint holders of shares:**

**13.** The joint holders of a share or shares be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

**Issue of shares other than for cash:**

**14.** The Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and/or 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 the said power vested in the directors by this article shall not be exercised except by the unanimous consent of all the Directors and in the absence of such unanimity, with the previous sanction of a special resolution passed at a general meeting of the Company.

**Sweat equity:**

**14A.** The Company shall have power to issue sweat equity shares to its employees or directors for cash or against consideration (other than cash) for providing know-how or making available rights in the nature of intellectual property rights or value additions by whatever name called, subject to the provisions of Section 54 of the Act and any other related provisions as may be required for the time being in force.

**Acceptance of shares:**

**15.** An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein, shall be acceptance of shares within the meaning of these articles and every person who thus or otherwise accepts any shares and whose name is in the register shall for the purpose of these Articles be a member.

***Debentures***

**16.** Unless otherwise provided, the provisions of these Articles relating to Transfer and Transmission of shares, Share Certificate, Lien, Calls and Forfeiture shall *mutatis mutandis* apply to Debentures.

***Calls on Shares***

**21.** (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

**Provided** that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

**22.** A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

**Liability of joint holders of share:**

23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**Interest on calls:**

24. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

**Sums payable at fixed times to be treated as calls:**

25. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**Payment of call in advance:**

26. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

**Partial payment not to preclude forfeiture:**

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

**Person by whom installments are payable:**

28. If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installments shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.



## *Transfer of Shares*

**29.** (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

### **Board's right to refuse to register:**

**30.** The Board may, subject to the right of appeal conferred by section 58 decline to register the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

**31.** The Board may decline to recognise any instrument of transfer unless—

(a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) The instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) The instrument of transfer is in respect of only one class of shares.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and transferee has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnify as the Board may think fit.

**32.** On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

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

**33.** (i) An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee.

(ii) The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

**34.** Nothing in Article 29, 30 and 31 shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law or to refuse to register the transfer of any shares to a transferee whether member or not.

**Transfer fee:**

**35.** No fee shall be charged by the Company for registration of transfer or transmission of shares or for registration on the death of any member or for registering any Letters of probate, Letters of Administration and similar documents or for issue of fresh share certificate in lieu of surrendered certificates for consolidation, splitting or otherwise.

**Register of members:**

**36.** The Company shall keep one or more books to be called the “Register of Members” and therein shall be entered the particulars of the shares required by the Act to be entered in such register.

**Custody of transfer deeds:**

**37.** The instrument of transfer shall, after registration, remain in the custody of the Company.

*Transmission of Shares*

**38. (i)** On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

**(ii)** Nothing in clause **(i)** shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**Rights and Liabilities of Legal representatives:**

**39. (i)** Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

**(a)** to be registered himself as holder of the share; or

**(b)** to make such transfer of the share as the deceased or insolvent member could have made.

**(ii)** The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**Notice of election by legal representatives:**

**40. (i)** If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

**(ii)** If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

**(iii)** All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

**41.** A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

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

**Company's right to register transfer by apparent legal owner:**

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

*Forfeiture of shares*

**If call or installment not paid, notice may be given:**

**43.** If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

**Forms of Notice:**

**44.** The notice aforesaid shall—

- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

**If Notice not complied with shares may be forfeited:**

**45.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

**Sale of forfeited shares:**

46. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**Liability after forfeiture:**

47. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

**Declaration of forfeiture:**

48. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

**Non-payment of sums payable at fixed times:**

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

**Surrender of shares:**

50. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other shares.

**Set-off moneys due to shareholders:**

51. Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him either alone or jointly with any other person, to the Company in respect of calls.

## *Alteration of capital*

### **Power to increase or reduce capital:**

**52.** The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

**53. (i)** Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

(ii) Except so far as otherwise provided by the conditions of issue or by these Articles, the new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

### **Conversion of shares into stock:**

**54.** Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

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

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

**Reduction of capital:**

**55.** The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

***Capitalisation of profits***

**56. (i)** The Company in general meeting may, upon the recommendation of the Board, resolve —

- (a) that it is desirable to capitalise 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 profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in any manner whatsoever.

**(ii)** The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause **(iii)**, either in or towards—

- (A)** paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B)** paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C)** partly in the way specified in sub-clause **(A)** and partly in that specified in sub-clause **(B)**;
- (D)** A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (E)** The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

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

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

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

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

### ***Buy-back of shares***

**58.** Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### ***General meetings***

#### **Annual General Meeting**

**59.** The Company shall in each year hold in addition to the other meetings a general meeting which shall be called as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act as specified below:

- a) Every Annual General Meeting shall be held within six months from the date of closing of the financial year of the Company and not more than fifteen months shall elapse between the date of one annual general meeting of a company and that of the next.
- b) Every annual general meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated and the notice calling the meeting shall specify it as Annual General Meeting.

**60.** All general meetings other than annual general meeting shall be called extraordinary general meeting.

**61. (i)** The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

**Notice of General Meeting:**

**62.** A General Meeting of the Company may be called by giving not less than twenty one days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid- up share capital which gives the right to vote on the matters to be considered at the meeting.

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

**Waiver of notice:**

**63.** Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

*Proceedings at general meetings*

**Quorum:**

**64. (i)** No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

**(ii)** Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

**Chairman of General meeting:**

**65.** The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

**When Chairman absent choice of another Chairman:**

**66.** If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

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



## *Adjournment of meeting*

### **Adjournment of meeting:**

**68.** (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

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

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Casting vote:**

**69.** In the case of an equality of votes, the Chairman of the meeting shall have a casting vote in addition to the vote or votes to which he may be entitled as a member.

### **In what cases poll taken without adjournment:**

**70.** A poll demanded for adjournment of the meeting or appointment of Chairman of the meeting shall be taken forthwith. A poll demanded on any question other than adjournment of the meeting or appointment of Chairman shall be taken at such time, not being later than forty-eight hours from the time when the demand was made, as the Chairman of the meeting may direct.

## *Voting rights*

### **Votes:**

**71.** Subject to any rights or restrictions for the time being attached to any class or classes of share, on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

**72.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

### **Joint Holders:**

**73.** (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**Member of unsound mind:**

74. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote either on his own or by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

**Business may proceed notwithstanding demand for poll:**

75. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**No member entitled to vote while call due to Company:**

76. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

**Validity of votes:**

77. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

**Proxies permitted on polls**

78. On a poll, votes may be given either personally or by proxy. A Company may vote in accordance with the provisions of Section 113 of the Act and the rules made thereunder.

*Proxy*

**Proxy to be deposited at the office:**

79. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

**Form of Proxy**

80. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

**Validity of vote by proxy:**

81. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy

or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

**Provided** that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### ***Board of Directors***

#### **Number of Directors:**

**82.** Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 (three) and not more than 15 (fifteen).

One-third of the total directors of the company, whose office is liable to retire by rotation retire at every Annual General Meeting.

Subject to the provisions of Section 152 of the Act, the tenure of Executive Chairman and the Managing Director shall be non-rotational.

#### **Remuneration of Directors:**

**83. (i)** The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

**(ii)** 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.

#### **Sitting fee payable to Board of Directors:**

**84.** Every Director shall be paid a sitting fee of such sum and subject to the ceiling as may be prescribed by the Central Government from time to time for each meeting of the Board of Directors or of any Committee thereof attended by him. The Board may, from time to time, decide quantum of sitting fees payable to a director for attendance at the Board Meeting or of any Committee thereof within the overall maximum limits prescribed apart from travelling and other expenses.

#### **Casual Vacancy:**

**85.** If the office of any Director becomes vacant before the expiry of the period of his directorship in the normal course, the resulting casual vacancy may be filled by the Board at a meeting of the Board. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 88(i).

#### **Additional Director:**

**86.** Subject to the provisions of Section 161 of the Act and the rules made thereunder, the Board may, from time to time, appoint any person as an Additional Director provided that the

number of Directors and additional together shall not exceed the maximum number of Directors fixed under Article 82 above. Any person so appointed as an additional director shall hold office up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act and the rules made thereunder.

**Right of continuing Director when there is no quorum**

**87.** The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as the number is reduced below the number fixed by or pursuant to these regulations as the minimum number of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company, but for no other purpose.

**Vacation of office of Director:**

**88. (i)** The office of a Director shall be vacated if:

- a. he is of unsound mind and stands so declared by a competent court;
- b. he is an undischarged insolvent;
- c. he has applied to be adjudicated as an insolvent and his application is pending;
- d. he has been convicted by a Court of any offence whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

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

- e. an order disqualifying him for appointment as director has been passed by court or tribunal and the order is in force;
- f. he has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- g. he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years;
- h. he has not complied with sub-section (3) of Section 152.
- i. He absents himself from all meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- j. he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- k. he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;
- l. he becomes disqualified by an order of a court or Tribunal;

- m. he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months;

Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;

- n. he is removed in pursuance of the provisions of this Act;

1. he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

(ii) Provided that the disqualifications referred to in clauses (d), (e) and (g) as aforesaid shall not take effect—

(i) for thirty days from the date of conviction or order of disqualification;

(ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed off; or

(iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed off.

**Alternate Director:**

**89. (i)** The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause “the original Director” during his absence for a period of not less than 3 months from India.

(ii) An Alternate Director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate the office if and when the Director in whose place he has been appointed returns to India.

(iii) If the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director.

**Director and Managing Director may contract With Company:**

**90. (i)** Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to give to the Directors or the Managing Director or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming sureties for the Company.

(ii) A general notice that the Managing Director or any Director is a Director or a member of any specified company/specified firm and is to be regarded as interested in any subsequent transaction with such Company or firm shall as regards any such transactions be sufficient disclosure under this Article and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such company or firm.

**91.** A Director of this Company may be or become a Director or member of any Company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such Company.

**Power for general meeting to increase or reduce number of directors:**

**92.** Subject to the provisions of the Act, the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 87 and may also determine in what rotation the increased or reduced number is to retire.

**Power to remove directors by ordinary resolution:**

**93.** Subject to provisions of Section 169 of the Act, the Company may by an ordinary resolution remove any Director before the expiry of his period of office and may by an ordinary resolution appoint another person in his place. A Director so appointed shall hold office upto the date which his predecessor would have held office if he had not been removed.

**When candidate for office of director must give notice:**

**94. (i)** A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be prescribed which shall be refunded to such person or, as the case may be, to the member, if the person proposed gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.

(ii) The Company shall, at least seven days before the general meeting, inform its members of the candidature of a person for the office of a director or the intention of a member to propose such person as a candidate for that office-

- a) by serving individual notices, on the members through electronic mode to such members who have provided their email addresses to the Company for communication purposes, and in writing to all other members; and
- b) by placing notice of such candidature or intention on the website of the Company, if any:

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid, if the Company advertises such candidature or intention, not less than seven days before the meeting at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the Company is situated, and circulating in that district, and at least once in English language in an English newspaper circulating in that district.

### ***Proceedings of the Board***

#### **Meeting of Directors:**

**95.** (i) The Board of directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

#### **Questions how decided:**

**96.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the chairperson of the Board, if any, shall have a second or casting vote.

#### **Notice of Meeting:**

**97.** (i) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

(ii) A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

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

#### **Quorum:**

**98.** (i) The quorum for a meeting of the Board of Directors shall be one-third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum.

(ii) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number

of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

*(iii)* Where at any time the number of interested directors exceeds or equal to two-thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.

*(iv)* Where a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

#### **Chairman of the Board:**

**99.** *(i)* The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.

*(ii)* If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

*(iii)* Any Director so appointed to the office of Chairman shall not be deemed to have vacated the said office of Chairman, by reason only that he retires or vacates at any Annual General Meeting of the Company and is re-elected at the same meeting.

#### **Committees:**

**100.** *(i)* The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

*(ii)* Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

*(iii)* The quorum of the committee shall be at least two members and the participation of the members by video conferencing or other audio visual means shall also be counted for the purpose of quorum.

#### **Election of Chairman of the Meeting of the Committee:**

**101.** *(i)* A committee may elect a Chairperson of its meetings.

*(ii)* If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

#### **Proceedings of the Committees:**

**102.** *(i)* A committee may meet and adjourn as it thinks fit.

*(ii)* Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

#### **Acts done by meeting valid notwithstanding defective appointment:**



**103.** All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

**Resolution by circulation:**

**104.** (i) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

(ii) A resolution under sub-section (1) shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

**105.** Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**106.** A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

***Powers and Duties of Directors***

**Powers to appoint Committees and to delegate:**

**107.** Subject to the provisions of section 179 of the Act, the Board may at any time and from time to time appoint and delegate to any Committee consisting of one or more of their body all or any of the powers, authorities and discretions for the time being vested in the Directors and any such delegation may be made on such terms and subject to such conditions as the Directors may think fit.

**Attorney of the Company:**

**108.** Subject to the provisions of Section 179 of the Act and the rules made thereunder, the Directors may by majority, appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as the Board may from time to time think fit and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

**Power to authorise sub-delegation:**

**109.** The Directors may by majority, authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in them.

**Minutes:**

**110. (i)** The Company shall cause minutes of the proceedings of every general meeting of any class of shareholders or creditors, and every resolution passed by postal ballot and every meeting of its Board of Directors or of every committee of the Board to be prepared and signed in such manner as prescribed in Section 118 of the Act read with rules made thereunder.

*(ii)* All such minutes of the meeting of the Directors or of any committee or the Company, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes.

*(iii)* There shall not be included in the minutes, 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 shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified above.

**Power to Borrow:**

**111.** The Board of Directors may from time to time but with consent of the Company in general meeting as may be required under section 180 of the Companies Act, 2013 read with rules made thereunder, by a resolution passed at a Meeting of the Board raise any money or any monies or sums of money for the purpose of the Company; provided that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 180 of the Act and the rules made thereunder, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, at such times and in such manner and upon such terms and conditions as they deem fit by the issue of debentures, or perpetual annuities, debenture stock, promissory notes,

or by opening current accounts, or by receiving deposits and advances with or without security, or by issue of bonds and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge, the whole or any part of the undertaking property, rights, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that the Directors may by resolution at a meeting of the Board delegate the power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director or Whole-Time Director or Manager subject to the limits upto which the money may be so borrowed as may be specified in the said resolution.

**Term of issue of Debenture:**

**112.** Any debenture, debenture stock or other securities may be issued at a discount, premium or otherwise, and may be issued on a condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting by a special resolution.

**Redemption Fund:**

**114.** The Directors, may out of the annual profits of the Company or otherwise, set aside such sums as they may think fit for the purpose of providing a redemption fund for the repayment of any bonds, mortgage debentures or debenture-stock which may be issued by the Company in such amounts at such premium in such manner and at such period as they may think expedient.

**Issue at Discount or with special privileges:**

**115.** Any bonds, mortgages, debentures, debenture stock or other securities may be issued at a discount, premium or otherwise or with any special privileges as to assignment, redemption, surrender, drawing or in exchange or allotment of shares or otherwise and any debentures or debenture stock created by the Company may be so framed that the same shall be assignable free from any equities between the Company and the original or any intermediate holders.

**Charge on uncalled capital**

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

**Subsequent assignees of uncalled capital:**

**117.** Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.

**Charges in favour of Director for indemnity:**

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

**Power to be exercised by Board only at meeting:**

**119. (i)** The Board shall exercise the powers on behalf of the Company as provided in the Act and the said power shall be exercised only by resolution passed at a meeting of the Board.

**(ii)** The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors or the Managing Director or Whole-Time Director or Manager or any other principal officer of the Company, the powers specified in clause (d) to (f) of sub-section (3) of section 179 of the Act on such conditions as it may specify.

**Business to be carried on by the Managing/Whole-Time Director:**

**120. (i)** Subject to the provisions of the Act and the rules made thereunder, the Board of Directors may appoint at any time one or more of their body to be the Managing Director(s) or Whole-Time Director (s) or any executive director by whatever name called, as they deem fit for conducting the business and affairs of the Company and shall determine the period for which such person shall hold office.

**(ii)** The aforesaid officer(s) shall carry on the business and affairs of the Company subject to the control and supervision of the Board of Directors.

**Remuneration of Managing/Whole-Time Directors:**

**121.** Subject to the provisions of the Act and subject to the approval of the Government of India as may be required, the Managing Director/Whole-Time Director(s) shall, each of them, be paid for their respective services such remuneration on such terms as the Board or the Company may, by resolution in General Meeting, from time to time respectively determine.

**Power to be exercised severally:**

**122.** All powers and duties vested in the Managing/Whole-Time Director(s) for the time being in accordance with the provisions of these present or by a resolution of the Board of Directors may subject to any directions to the contrary by the Board, be exercised by any one of them.

**Expenses to be charged to the Company:**

**123.** The Managing/Whole-Time Director(s) shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part-time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company for any remuneration that they may pay to such part-time employees.

**Power of Managing/Whole-Time Directors:**

**124.** The Managing/Whole-time Director shall, subject to the supervision and control of the Directors have power to do all acts and things which the Managing/Whole-time Director shall think usually necessary or desirable in the management of the affairs of the Company without prejudice to the generality of the powers conferred hereby, he shall have inter alia, the following broad powers subject to the supervision and control of the Directors:-

*a)* To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company and fees and stamps paid in respect thereof and the costs of advertising, printing, stationery, brokerage, legal charges, furniture and fittings of office and such other costs.

*b)* To sell for cash or on credit and either wholesale or in retail and for ready or future delivery and realize the proceeds of sale of property, movable or immovable or any rights or privileges belonging to the Company or in which the Company is interested or over which the Company may have any such power of disposal and to exchange any such property or right belonging to the Company for other property or rights.

*c)* To determine from time to time who shall be entitled to sign on the Company's dividend warrants, cheques, promissory notes, bills of exchange and other negotiable instruments, releases, contracts and to give the necessary authority for such purposes.

*d)* To execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts, releases and other discharges for moneys or goods of property received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and demands of the Company.

*e)* To institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its offences, or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions, suits and legal proceedings.

*f)* To enter into, vary or cancel all or nay of the contracts entered into by or on behalf of the Company.

*g)* To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisors, accountants, managers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees of every description and to employ and remunerate such professional or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interests of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Managing/Whole-time Director shall think fit.

- h)* To acquire any purchase, lease, exchange, pledge, hypothecation or otherwise transfer, lands, estates, fields, buildings, office show-rooms, go downs and other buildings, machinery, engine, plant, rolling stock, tools, machine tools, outfits, stores, hardware and any other materials or whatever description either on credit or for cash and for present or future delivery.
- i)* To plant, develop, improve, cut down, process, sell or otherwise, dispose of the products of the Company and to incur all expenses in this behalf.
- j)* To erect, maintain, repair, equip, alter and extend buildings and machinery in any place.
- k)* To enter into all negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- l)* To pay all moneys due by the Company and look after the finance of the Company.
- m)* To open current and time-deposit account or other accounts with banker or bankers at their choice and to operate on such accounts and also when necessary to overdraw or take loans on such accounts on the security of the Company or of any of its assets.
- n)* To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills or exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debentures or debenture-stocks of Corporation, local bodies, port trust, improvement trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.
- o)* Subject to Article 111 to borrow from time to time such sums of money for the purposes of the Company upon such terms as may be expedient and with or without security.
- p)* To receive or give effectual receipts and discharge on behalf of and against the Company for moneys, funds, goods or property lent, payable or belonging to the Company or for advances against the goods of the Company.
- q)* To make or receive advance of money, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as the Managing/Whole-time Director may deem fit.
- r)* To submit to arbitration and enforce the fulfillment of awards regarding any claims in which the Company may be interested, to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
- s)* To institute, appear in or defend any legal proceeding in the name of and on behalf of the Company, to sign any pleading and other documents, to engage and to instruct any Advocate, Solicitors and Lawyers and to execute any vakalat or other authority in their favour and to compound and compromise any claim, suit or proceedings.
- t)* To make all manner of insurances.
- u)* To delegate all or any of the powers, authorities and discretions for the time being vested in the Managing/Whole-time Director and also from time to time provide by the appointment of an attorney or attorneys to sign seal, execute, deliver, register or cause to be registered all instruments, deeds, documents or writings, usually necessary

or expedient for any of the purposes of the Company and not requiring the common seal of the Company, provided that the Directors may from time to time revoke, withdraw, alter or vary all or any of the above powers, provided that the Managing/Whole-time Director shall not exercise the power to:

- a) make calls on shareholders in respect of moneys unpaid on the shares of the Company.
- b) issue debentures, borrow moneys or make loans except within the limits as may be fixed by the Directors at a Board meeting.

### *The Seal*

#### **Common Seal:**

**125.** The Directors shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or any other Director or the Secretary or such other person as the Board may determine from time to time.

#### **Deeds how executed:**

**126.** The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director and of the company secretary or such other person as the Board may appoint for the purpose; and such director and the company secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Provided nevertheless that any instrument bearing the seal of the Company shall be binding on the Company notwithstanding any irregularity relating the authority to issue the same; provided further also that the counter signature of the Company Secretary or the authorized person shall not be necessary in the case of instruments executed in favour of a Managing/Whole-Time Director which shall be sealed in the presence of any other Director and signed by him on behalf of the Company.

### *Dividends and Reserve*

#### **Application of Profit:**

**127.** The profit of the Company, subject to any special rights relating thereto created or authorised to be created by these present, and subject to the provisions of these present as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

#### **Declaration of Dividend:**

**128.** The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**Interim Dividend:**

**129.** Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

**Dividend to be paid out of profits only:**

**130.** No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

**Reserve Funds:**

**131.** (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**Method of payment of Dividend:**

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

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.

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

**Deduction of arrears:**

**133.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

**Adjustment of dividend against calls:**

**134.** Any general meeting declaring a dividend or bonus may make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividend or bonus payable to him and that the call be made payable at the same time as the dividend or bonus is payable/credited and be set off against the call.



**Bonus or Dividend in specie:**

**135.** (i) Any general meeting declaring dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and the Board shall give effect to the resolution of the meeting.

(ii) Where any difficulty arises in regard to such distribution, the Board may settle the same as they think fit and expedient and in particular may issue fractional certificates and fix the value of distribution so that cash payment shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.

**Payment by cheque or warrant:**

**136.** (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque / warrant / electronic mode sent through the post directed to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque / warrant shall be made payable to the order of the person to whom it is sent.

(iii) Every such cheque or warrant shall be posted within such time as may be prescribed by the Act and the rules made thereunder from the date of declaration of the dividend.

**Receipt of joint holders:**

**137.** Any one of two or more joint holders of a share may give effective receipts for any dividend, bonuses, or other monies payable in respect of such share.

**138.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

**Dividend not to bear interest:**

**139.** No dividend shall bear interest against the Company.

**Unclaimed dividend**

**140.** No unclaimed dividend shall be forfeited by the Board and the Company shall comply with provisions of the Act in connection with transfer of unpaid/unclaimed dividend.

**Transfer of share not to pass prior dividend:**

**141.** Any transfer of shares shall not pass any right to dividend declared thereon before the registration of transfer.

## *Accounts*

### **Accounts to be kept:**

**142.** (i) The Directors shall cause proper books of accounts to be kept in respect of (a) all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place; (b) all sales and purchases of goods and services by the Company; and (c) the assets and liabilities of the Company.

(ii) If the company has a branch office whether in India or outside India, proper books of accounts relating to the transactions effected at that office shall be kept at that office, and proper summarized returns periodically shall be sent by the branch office to the Company at its registered office or other place in India, as the Board may think fit, where the main books of the Company are kept.

(iii) The books of account shall be kept at the Registered Office or at such other place in India as the Board thinks fit and shall be open to inspection by any Director during business hours.

(iv) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain its transactions.

### **Inspection by members:**

**143.** The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions and regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection of any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

### **Statement of accounts to be furnished in General Meeting:**

**144.** The Board shall lay before each Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date that shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

### **Financial statements:**

**145.** Subject to the provisions of Section 129 of the Act, the financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

**146.** The financial statements including Consolidated Financial Statements of the Company shall be signed on behalf of the Board in accordance with the provisions of the Section 134 of the Companies Act, 2013.

**147.** The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of the Act and before they are submitted to the Auditors for their report thereon.

**Board's report to be attached to financial statements:**

**148** (i) The financial statements laid before the Company in General Meeting shall have attached to it a report by the Board including the matters specified under section 134 of the Act.

(ii) The Board's report and any annexures thereto shall be signed by the Chairman of the Company if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by at least two directors, one of whom shall be a Managing Director in accordance with the provisions of section 134 of the Act.

(iii) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of this Article are complied with.

***Audit*****Accounts to be audited:**

**149.** The financial statements shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

**Appointment of Auditors:**

**150.** The appointment of Auditors shall be in accordance with the provisions of Section 139 of the Act read with the rules made thereunder.

**Audit of Branch office:**

**151.** The Company shall comply with the provisions of section 143 of the Act read with the rules made thereunder in relation to the audit of the accounts of Branch offices of the Company.

**Remuneration of Auditors:**

**152.** The remuneration of the Auditors shall be fixed by the Company in General Meeting or in such manner as may be determined therein.

**Rights and Duties of Auditors:**

**153.** (i) Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the officers of the Company such information and explanation as may be necessary for the performance of his duties as Auditor.

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

(iii) The Auditor shall make a report to the members of the Company on the accounts examined by him and on every financial statements which are required under the Act to be laid before the Company in General Meeting, and the report shall state whether, in his opinion and to the best of his information and knowledge and according to explanations given to him, the said accounts, financial statements give a true and fair view of the state of

company's affairs as at the end of its financial year and profit or loss and cash flow for the year and such other matters as may be prescribed.

(iv) The Auditor's Report shall also state:

(a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;

(b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;

(c) whether the report on the accounts of any branch office of the company audited under sub-section (8) of Section 143 of the Act by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;

(d) whether the company's balance sheet and statement of profit & loss dealt with in the report are in agreement with the books of account and returns;

(e) whether, in his opinion, the financial statements comply with the accounting standards;

(f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;

(g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;

(h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

(i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;

(j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;

(k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

(l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

(v) Where any of the matters required to be included in the audit report under section 143 of the Act is answered in the negative or with a qualification, the Auditor's Report shall state the reasons therefor.

(vi) 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.

**154.** Every account of the Company when audited and approved by a General Meeting shall be conclusive. However, the said audited financial statements may be re-opened in compliance with the provisions of section 130 of the Act.



### ***Service of documents and Notices***

**155.** A document may be served on a Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by registered post or by speed post or by courier service or by leaving it at its Registered Office or by means of such electronic or other mode as prescribed under section 20 of the Act and the rules made thereunder.

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

**156. (i)** Save as provided in the Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed:

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

*(ii)* Where a document is sent by post, such service shall be deemed to be effected - (i) in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the same is posted; and (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

#### **Members to notify address in India:**

**157.** Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

#### **Persons entitled to notice of General Meeting:**

**158.** Subject to the provisions of the Act, notice of General Meeting shall be given to;

- (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) the auditor or auditors of the company; and
- (c) every director of the Company.

Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

**159.** Every person, who by the operation of law, transfer, or by other means whatsoever, shall become entitled to any share, shall have the right to every document in respect of such share which, previously to his name and address being entered on the registrar, shall have been duly served on or sent to the person from whom he derives his title to such shares.

**160.** Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Board may appoint. The Signature to any notice to be given by the Company may be written or printed or lithographed or even may not bear any signature in case of electronic / computer generated communication.

### ***Winding up***

**161.** If the Company shall be wound up and the assets available for distribution amongst members as such shall be insufficient to repay the whole of the paid-up capital or capital deemed to be paid-up, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or deemed to be paid-up at the commencement of the winding up, on the shares held by them respectively; and if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up or deemed to be paid up at the commencement of the winding up on the shares held by them respectively. Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall be excluded and shall be repayable in full before any distribution is made on the paid up capital or capital deemed to be paid up together with interest at the rate agreed upon. The provisions of this article shall be subject to any special rights or liabilities attached to any special class of shares forming part of the capital of the Company.

### **Division of assets of the company in specie among members:**

**162.** The liquidators may with the sanction of a special resolution divide amongst the members 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) and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such Trusts for the benefit of the members or any of them as the liquidators, with the like sanction, shall think fit.

### ***Secrecy Clause***

**163.** Every Director, Managing Director, Whole-Time Director, Manager, Secretary, Auditor, Trustee, Member of the 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 at any time during his term of the office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall buy such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board of Director or by any general meeting or by a court of law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these articles.

**No member to enter the premises of the Company without permission:**

**164.** No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or, to require discovering of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of the trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

***Indemnity***

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

***Legal proceedings***

**166. (i)** Without derogation of powers vested in the Board of Directors or in the Managing / Whole-Time Director by virtue of any law or the Act or the Articles of the Company, the Managing Director/Whole-Time Director is empowered to institute, conduct, defend, compound or abandon any actions suits and legal proceedings, both civil and criminal on behalf of the Company and also compromise or submit the same for arbitration.

Further, any Director authorised by the Board shall be empowered to institute, conduct, defend, compound or abandon any actions suits and legal proceedings, both civil and criminal on behalf of the Company and also compromise or submit the same for arbitration.

**(ii)** The aforesaid persons may delegate the powers vested above to any other person.





Sl No.	Name, address, description and occupation of subscriber	Signature of the subscriber	Name, address, description and occupation of witness
1.	Camar Shuffi Tyabjee Industrialist 159, Gunfoundry Road	Sd/-	E.J. Tarapore Secretary, Azam Jahi Mills Ltd. Hyderabad
2.	Sreemanthu Rajah Yarlagadda Sivarama Prasad, M.L.A., Rajah of Challapalli, Industrialist, and Agriculturist Challapalli, Krishna District (A.P.)	Sd/-	D.K. Srinivasan, The Hindustan Ideal Insurance Company Limited. Post Box No. 144, Sultan Bazar, Hyderabad (A.P.)
3.	Sreemanthu Rajah Yarlagadda Ankineedu Prasad, Industrialist, Palace, Challapalli, Krishna District (A.P.)	Sd/-	
4.	L.L. Narayan Business, Rane (Madras) Ltd. 5, Patullos Road, Mount Road, Madras.	Sd/-	R. Krishnaswamy, Divisional Manager, Hindustan Ideal Insurance Company Limited, Indian Chambers Buildings, Esplanade, Madras 1.
5.	R. M. Seshadri Advocate 64, Lloyd Road, Madras 14.	Sd/-	
6.	V. Emberumanar Chieey Merchant, 11, Flowers Road, Madras 10.	Sd/-	V. Venugopal, Merchant, 20, Masilamani Mudaliar Road, Madras 14.
7.	S. Ramachar General Manager Hindusthan Ideal Insurance Company Limited, 4-3-377, Sultan Bazar, Hyderabad (A.P.)	Sd/-	D.K. Srinivasan, The Hindustan Ideal Insurance Company Limited. Post Box No. 155, Sultan Bazar, Hyderabad (A.P.)

Place : Hyderabad

Date : 15th day of March 1961