
MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF



Bharat Bijlee
Bharat Bijlee Limited

Certified True Copy
For Bharat Bijlee Ltd.


Company Secretary



Certificate of Incorporation

.....

No. 5017 of 1946 - 1947

I hereby certify that "BHARAT BIJLEE LIMITED" is this day incorporated under the Indian Company's Act, VII of 1913, and that the Company is Limited.

Given under my hand at Bombay this Twenty-second day of June One thousand nine hundred and forty-six.

The Seal of the
Registrar of
Companies,
Bombay.

(Sd.) BEHRAMJI M. MODI
Registrar of Companies

MEMORANDUM OF ASSOCIATION

OF

Bharat Bijlee Limited

1. The name of the Company is "Bharat Bijlee Limited".*
2. The Registered Office of the Company will be situated in the province of Bombay.
3. The objects for which the Company is established are all or any of the following:-
 - (1) To produce, manufacture, prepare, purchase, import, export and generally to deal in electric motors, fans, meters, dynamos, phonographs, telephones, lighting sets, accumulators and apparatus, articles, and goods, now known or that hereafter may be invented, connected with the generation or accumulative distribution, supply and employment of electricity or any power that can be used as substitute therefor including all cables, wires and other articles.
 - (2) To manufacture electrical meters, water meters and other measuring and testing instruments.
 - (3) To carry on the business of electricians, electrical engineers, contractors, manufacturers, workers and dealers in electricity, motive power and light and any business in which the application of electricity or any like power or any power that can be used as substitute therefor, or is or may be useful, convenient or ornamental or any other business of a like nature.
 - (4) To buy, sell, manufacture, repair, convert, alter, let on hire and deal in electrical and other machinery, implements and instruments.
 - (5) To carry on the business of electrical and mechanical engineers, founders, and manufacturers of machinery, implements, tools and instruments.
 - (6) To carry on any other business whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
 - (7) To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of this Company.
 - (8) To apply for, purchase or otherwise acquire, any patents, brevets d'invention, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited rights to use or any secret or

*By a Special Resolution dated the 30th April, 1949 the Company which was registered as a private Company was converted to a public company.

other informations as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise and develop or grant licences in respect of or otherwise turn to account the property, rights or information so acquired.

- (9) To enter into partnership or into any arrangement for sharing profits, union or interests, cooperation, joint adventure, reciprocal concession or otherwise with any person or company carrying on, engaged in or about to carry on or engage in, any business or transaction which this Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company. (And to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company and to sell, hold, reissue, with or without guarantee or otherwise deal with the same.)
- (10) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company and to sell them.
- (11) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them and to obtain from any such government or authority, any rights, privileges and concessions which the Company may think desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges, and concessions.
- (12) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (13) To promote and take over any company and also to work as agents or managing agents of any company.
- (14) Generally to purchase, take on lease or in exchange, hire or otherwise acquire any real and personal property, and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant, and stock-in-trade.
- (15) To construct, maintain and alter any buildings or works necessary or convenient for the purposes of the Company.
- (16) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time seem expedient.
- (17) To lend moneys to such persons or companies and on such terms as may seem expedient, and in particular to consumers and others having dealings with the Company and to guarantee the performance of contracts by such persons or companies.

- (18) To guarantee or become liable for the payment of money or for the performance of any obligations and generally to transact all kinds of guarantee business; also to transact all kinds of trusts and agency business.
- (19) To borrow or raise or secure the payment of moneys in such manner as the Company shall think fit, and in particular by the mortgage legal or equitable of, by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property, both present and future, including its uncalled capital, and to purchase, redeem or pay off any such securities.
- (20) To receive moneys on deposit account, current or otherwise with or without allowance of interest.
- (21) To pay the costs, charges and expenses preliminary and incidental to the promotion, foundation, establishment and registration of the Company.
- (22) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (23) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this Company.
- (24) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Company.
- (25) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents, or otherwise and either alone or in conjunction with others.
- (26) To amalgamate with any other company having objects altogether or in any part similar to those of this Company.
- (27) To distribute any of the property of the Company in specie or kind among the members.
- (28) To develop and turn to account any land acquired by the Company or in which it is interested, and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up and improving buildings, and by planting paving, draining, framing, cultivating and letting on lease or building agreements and by advancing money to and entering into contracts and arrangements of all kinds with builders and others.
- (29) To do all such other things as are incidental or conducive to the attainment of the above objects.
- (30) To subscribe or donate or contribute or guarantee money or otherwise give assistance for charitable, social, benevolent, religious, scientific objects, or for any exhibition, or for any public, general or useful objects.

And is hereby declared that the word "Company" in this clause shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in British India or elsewhere, and the intention is that the objects specified in each paragraph of this clause, shall, except where otherwise expressed in such paragraph, be independent of the main objects, and shall be in no way limited or restricted by reference to or inference from the terms of any other paragraphs or the name of the Company.

4. The liability of the members is limited.

5. The authorised capital of the company is (Rs. 10,00,00,000/-) Rupees Ten Crores) divided into 2,00,000, 12% Non-convertible Redeemable Cumulative Preference Shares of Rs. 100/- each and 80,00,000 equity shares of Rs. 10/- each as herein after provided and in accordance with the regulations of the Company and the legislative provisions for the time being in force. Subject to the provisions of the said Act, the shares in the capital of the Company for the time being, whether original or increased or reduced may be divided into classes, with any Perferential, deferred, qualified, or other rights, privileges, conditions or restrictions attached hereto, whether in regard to dividend, voting, return of capital or otherwise.

If and whenever the Capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the Articles of Association or by the terms of issue, but not further or otherwise.

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

| No. | Name, Address and Description of Subscriber | Number of shares taken by Subscriber | Witness |
|-----|--|--------------------------------------|--|
| 1. | Mr. Jamnadas K. Gandhi 601E, Vincent Road, Matunga, Bombay-19. | ONE | } Mr. Vajubhai M. Shukla 601E, Vincent Road Matunga, Bombay-19 |
| 2. | Mr. Keshavlal Maganlal Gandhi 601E, Vincent Road, Matunga, Bombay-19 | ONE | |

Dated this Twenty First day of June 1946.

*The Original Capital was Rs. 10,00,000/- divided into 4,500 Ordinary Shares of Rs. 100/- each and 5,500 Preference Shares of Rs. 100/- each carrying cumulative interest at 6% per annum. By a special resolution dated 9-6-1958 the 2,800 Preference Shares not taken or agreed to be taken up were cancelled and the authorised capital was reduced to Rs. 7,20,000/-

By another Special Resolution also dated 9-6-1958 the authorised capital was increased to Rs. 10,00,000/- divided into 7,300 Ordinary Shares of Rs. 100/- each and 2,700 Preference Shares of Rs. 100/- each by the creation of 2,800 Ordinary Shares of Rs. 100/- each.

By Resolutions passed at separate meetings of Preference Shareholders and the Equity Shareholders respectively on 19-9-1960 the Preference Shares were converted into Equity Shares ranking pari passu with the existing equity shares.

By another resolution also dated 19-9-1960 the Authorised Capital of the Company was increased to Rs. 50,00,000/- divided into 20,000 Equity Shares of Rs. 100/- each and 30,000 unclassified shares of Rs. 100/- each. By a resolution passed at an Extraordinary General Meeting held on 15-12-1961 20,000 shares out of the unclassified shares were classified as Equity shares of Rs. 100/- each, ranking pari passu with the existing Equity Shares of Rs. 100/- each.

By an Ordinary Resolution passed at the 17th Annual General Meeting held on 2-12-1963 the remaining 10,000 unclassified shares were classified as equity shares of Rs. 100/- each. By another resolution passed at the same meeting the Authorised Capital of the Company was increased to Rs. 1 crore.

By a Special Resolution passed on 27-11-1973 the Authorised Capital of the Company was increased to Rs. 1,10,00,000/- divided into 30,000 9.3% Redeemable Cumulative Preference Shares of Rs. 100/- each and 80,000 Equity Shares of Rs. 100/- each.

By a Special Resolution passed on 6th September 1974, the Authorised Capital of the Company was increased to Rs. 200,00,000 divided into 30,000 9.3% Redeemable Cumulative Preference Shares of Rs. 100/- each, 1,30,000 equity shares of Rs. 100/- each and 40,000 unclassified shares of Rs. 100/- each.

By a Resolution passed on 4th March 1977, 40,000 unclassified shares of Rs. 100/- each were classified into equity shares of Rs. 100/- each.

By a Special Resolution passed on 21st March 1980, the rate of dividend on the Redeemable Cumulative Preference shares was increased from 9.3% to 11%.

By a Special Resolution passed on 17th November 1986 the rate of dividend on the Redeemable Cumulative Preference shares was increased from 11% to 15%.

By a Special Resolution passed on 17-09-1992 the Authorised Capital of the Company was increased to Rs. 5 crores divided into 30,000 15% Redeemable Cumulative Preference Shares of Rs. 100/- each and 4,70,000 equity shares of Rs. 100/- each.

By a Special Resolution passed on 25-09-1995 the Authorised Capital of the Company was increased to Rs. 10 crores divided into 30,000 15% Redeemable Cumulative Preference Shares of Rs. 100/- each and 9,70,000 equity shares of Rs. 100/- each.

By a Special Resolution passed on 11-08-1998 the Authorised Capital was reclassified and divided into 2,00,000 12% Non-convertible Redeemable Cumulative Preference Shares of Rs. 100/- each and 800,000 equity shares of Rs. 100/- each.

By a Special Resolution passed on 12-08-2005 the Authorised Capital was reclassified and divided into 2,00,000 12% Non-convertible Redeemable Cumulative Preference Shares of Rs. 100/- each and 80,00,000 equity shares of Rs. 10/- each.

Articles of Association
OF
Bharat Bijlee Limited

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OF

Bharat Bijlee Limited

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ARTICLES OF ASSOCIATION

OF

Bharat Bijlee Limited

I. CONSTITUTION OF THE COMPANY

1. BHARAT BIJLEE LIMITED was established with limited liability in accordance with and subject to the provisions of the Indian Companies Act, 1913. The Company was converted into a public company on 30th April 1949. The Companies Act, 1956 is now applicable to the Company. But none of the regulations contained in the Table marked A in Schedule I to the Companies Act, 1956 shall be applicable to the Company except so far as the said Act or any modification thereof otherwise expressly provides.

Table A
not to apply.

2. The regulations for the management of the Company and for the observance of the members thereof and their representatives shall subject as provided in Article 1 and to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations in the manner prescribed by the Companies Act, 1956, be such as are contained in these Articles.

Company to be
governed by these
Articles.

3. In the interpretation of these Articles, the following words and expressions shall have the following meanings, unless repugnant to the subject or context.

Interpretation
clause.

"The Company" or "this Company" means BHARAT BIJLEE LIMITED established as aforesaid.

"Company" or "This
Company".

"The Companies Act, 1956," "the said Act" or "The Act" and reference to any section or provision thereof respectively means and includes the Companies Act, 1956 (Act I of 1956) and any statutory modification thereof for the time being in force, and reference to the section or provision of the said Act or such statutory modification.

"The Companies
Act, 1956",
"The Said Act",
"The Act".

"These presents" means and includes the Memorandum and these Articles of Association, and the regulations of the Company from time to time in force.

"These presents".

"Dividend" shall include bonus.

"Dividend".

"Definition of shareholder or member given in Article 3 be deleted and the following be substituted.

"Shareholder" or "Member" means a duly registered holder from time to time of a share in the Company and includes the Subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

"Shareholders" or
"Members".

"Register of Members" or "Register" means the Register of Members to be kept pursuant to section 150 of the said Act.

"Register of
Members" or
"Register".

"Executor" or "Administrator" means a person who has obtained Probate or Letters of Administration, as the case may be, from some competent Court having effect in the State of Maharashtra and shall include the holder of a Succession Certificate authorising the holder thereof to negotiate or transfer the share or shares of the deceased member and shall also include the holder of a Certificate granted by the Administrator General of Bombay having jurisdiction in the State of Maharashtra under Section 31 of the Administrator General's Act 1913.

"Executor" or
"Administrator".

| | |
|--|--|
| "Directors". | "Directors" Means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board. |
| "Board". | "Board" means a Meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board. |
| "Auditors". | "Auditors" means those officers for the time being of the Company. |
| "In writing" or "Written". | "In Writing" or "Written" means written or printed or partly written and partly printed or lithographed or typewritten or reproduced by any other substitute for writing. |
| Singular number. | Word importing the singular number include, where the context admits or requires, the plural number. |
| Plural number. | Words importing the plural number include, where the context admits or requires, the singular number. |
| Gender. | Words importing the masculine gender also include the feminine gender. |
| Persons. Word and expressions defined in Companies Act, 1956. | Words importing persons shall, where the context requires include bodies corporate and companies as well as individuals. Subject as aforesaid, any words and expressions defined in the said Act as modified up to the date on which these Articles become binding on the Company shall, except where the subject or context otherwise requires, bear the same meanings in these Articles become binding on the Company shall, except where the subject or context otherwise requires, bear the same meanings in these Articles. |
| Marginal Notes and Headings. | The marginal notes and the headings given in these Articles shall not affect the construction hereof. |

II. CAPITAL

| | |
|--------------------|---|
| Amount of capital. | *4. The authorised share capital of the company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 2,00,000 12% Non-convertible Redeemable Cumulative Preference Shares of Rs. 100/- each and 80,00,000 equity shares of Rs. 10/- each as herein after provided and in accordance with the regulations of the Company and the legislative provisions for the time being in force. Subject to the provisions of the said Act, the shares in the capital of the Company for the time being, whether original or increased or reduced may be divided into classes, with any Preferential, deferred, qualified, or other rights, privileges, conditions or restrictions attached hereto, whether in regard to dividend, voting, return of capital or otherwise. |
|--------------------|---|

*The Original Capital was Rs. 10,00,000/- divided into 4,500 Ordinary shares of Rs. 100/- each and 5,500 Preference shares of Rs. 100/- each carrying cumulative interest at 6% per annum. By a special resolution dated 9-6-1958 the 2,800 Preference Shares not taken or agreed to be taken up were cancelled and the authorised capital was reduced to Rs. 7,20,000/-

By another Special Resolution also dated 9-6-1958 the authorised capital was increased to Rs. 10,00,000/- divided into 7,300 Ordinary Shares of Rs. 100/- each and 2,700 Preference Shares of Rs. 100/- each by the creation of 2,800 Ordinary Shares of Rs. 100/- each.

By Resolutions passed at separate meetings of Preference Shareholders and the Equity Shareholders respectively on 19-9-1960 the Preference Shares were converted into Equity Shares ranking pari passu with the existing equity shares.

By another resolution also dated 19-9-1960 the Authorised Capital of the Company was increased to Rs. 50,00,000/- divided into 20,000 Equity Shares of Rs. 100/- each and 30,000 unclassified shares of Rs. 100/- each. By a resolution passed at an Extraordinary General Meeting held on 15-12-1961 20,000 shares out of the unclassified shares were classified as Equity shares of Rs. 100/- each, ranking pari passu with the existing Equity shares of Rs. 100/- each.

By an Ordinary Resolution passed at the 17th Annual General Meeting held on 2-12-1963 the remaining 10,000 unclassified shares were classified as equity shares of Rs. 100/- each. By another resolution passed at the same meeting the Authorised Capital of the Company was increased to Rs. 1 crore.

By a Special Resolution passed on 27-11-1973 the Authorised Capital of the Company was increased to Rs. 1,10,00,000/- divided into 30,000 9.3% Redeemable Cumulative Preference Shares of Rs. 100/- each and 80,000 Equity Shares of Rs. 100/- each.

By a Special Resolution passed on 6th September 1974, the Authorised Capital of the Company was increased to Rs. 2 crores divided into 30,000 9.3% Redeemable Cumulative Preference Shares of Rs. 100/- each, 1,30,000 equity shares of Rs. 100/- each and 40,000 unclassified shares of Rs. 100/- each. By a resolution passed on 4th March 1977, 40,000 unclassified shares of Rs. 100/- each were classified into equity shares of Rs. 100/- each.

By a Special Resolution passed on 21st March 1980 the rate of dividend on the Redeemable Cumulative Preference shares was increased from 9.3% to 11%.

By a Special Resolution passed on 17th November 1986 the rate of dividend on the Redeemable Cumulative Preference shares was increased from 11% to 15%.

By a Special Resolution passed on 17-09-1992 the Authorised Capital of the Company was increased to Rs. 5 crores divided into 30,000 15% Redeemable Cumulative Preference Shares of Rs. 100/- each and 4,70,000 equity shares of Rs. 100/- each.

By a Special Resolution passed on 25-09-1995 the Authorised Capital of the Company was increased to Rs. 10 crores divided into 30,000 15% Redeemable Cumulative Preference Shares of Rs. 100/- each and 9,70,000 equity shares of Rs. 100/- each.

By a Special Resolution passed on 11-08-1998 the Authorised Capital was reclassified and divided into 2,00,000 12% Non-convertible Redeemable Cumulative Preference Shares of Rs. 100/- each and 8,00,000 equity shares of Rs. 100/- each.

By a Special Resolution passed on 12-08-2005 the Authorised Capital was reclassified and divided into 2,00,000 12% Non-convertible Redeemable Cumulative Preference Shares of Rs. 100/- each and 80,00,000 equity shares of Rs. 10/- each.

If and whenever the Capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, affected extended abrogated or surrendered as provided by the Articles of Association or by the terms of issue, but not further or otherwise.

Rights may be varied.

5. The Company may at any time pay a commission to any person in consideration of his subscribing, or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any share in or debentures of the Company, and the provisions of section 76 of the said Act shall be observed and complied with. Such commission shall not exceed 5 per cent of the price at which the shares are issued or 21/2 per cent of the price at which such debentures are issued, or by the allotment of shares. Nothing herein or in section 76 contained shall affect the power of the company to pay such brokerage as it has heretofore been lawful for a company to pay.

Commission for placing shares.

6. Except as provided by the Act, the Company shall not, except by a reduction of capital under the provisions of sections 100 to 104 or section 402 of the said Act, buy its own shares or give, whether directly or indirectly, and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person or for any shares in the Company or in its holding company.

Company not to give financial assistance for purchase of its own shares.

7. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate, and subject to the conditions and restrictions provided by section 208 of the said Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant. The Articles relating to dividends shall, where the context permits, apply to interest paid under this Article.

Payment of interest out of capital.

8. The Company shall have power to issue shares at a premium and shall duly comply with the provisions of section 78 of the said Act and Article 71 hereof.

Issue of shares at a premium.

9. The Company shall have power in accordance with the provisions of section 79 of the said Act under the authority of a resolution of the company sanctioned by the Court to issue shares at a discount.

Issue of shares at a discount.

Issue of redeemable preference shares.

10. The company may, subject to the provisions of section 80 of the said Act, issue preference shares which are or at the option of the company are to be liable to be redeemed and may redeem such shares in any manner in the said section provided and may issue shares up to the nominal amount of the shares redeemed or to be redeemed as provided in sub-section 4 of the said Section. Where the Company has issued redeemable preference shares the provisions of the said section shall be complied with. The manner in which such shares shall be redeemed, shall be provided by Article 79 unless the terms of issue otherwise provide.

Buy Back

10A. "Notwithstanding anything contained in these Articles but subject to the provisions of Section 77A and Section 77B of the Companies Act, 1956; the Company may purchase its own shares or other specified securities (hereinafter referred to as 'Buy-back') in accordance with the provision of Section 77A of the Companies Act, 1956 and the Rules/Regulations/Guidelines made thereunder by the Central Government/SEBI or any other Statutory body(ies) in this behalf".

III. SHARES AND SHAREHOLDERS

Register and Index of Members.

11. The Register and Index of Beneficial Owners maintained by Depository under Section 11 of the Depositories Act, 1996 shall also deemed to be the Register and Index of Members for the purpose of the Companies Act, 1956 and any amendment or re-enactment thereof.

Shares to be numbered progressively.

12. The shares in the capital shall be numbered progressively according to their several classes, provided that nothing contained herein shall apply to shares held with a Depository.

Shares at the disposal of Directors.

13. Subject to the provisions of sections 42, 69 to 75 and 76 (2) of the said Act and of these Articles, the shares in the capital of the Company for the time being shall be under the control and at the disposal of the Directors, who may allot or otherwise dispose of the same or any of them to such persons, in such proportions, and on such terms and conditions, and at such times, and either at par or premium or (subject to compliance with section 79 of the said Act) at a discount as they may from time to time think fit and proper, and with power with the consent of the Company in General Meeting to give to any persons the call of any shares, either at par or at premium, or (subject as aforesaid) at a discount, and for such time and for such consideration, as the Directors think fit. Provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.

Directors may allot shares as fully paid-up.

14. Subject as aforesaid the Directors may allot and issue shares in the capital of the Company as payment or part-payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business; and 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.

Acceptance of shares.

15. An application signed by or on behalf of an applicant for shares in the Company agreeing to become member and followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares or agrees to become member of the Company and whose name is entered in its Register of Members shall, for the purpose of these Articles, be a member of the Company.

Deposit and call etc., to be a debt payable immediately.

16. The money (if any) which the Directors shall, on the allotment of any shares being made by them require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall, immediately on the inscription of the name of the allottee in the Register of Members as the holder of such shares, become a debt

due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

17. The Directors shall cause to be made the returns as to all allotments from time to time made in accordance with the provisions of section 75 of the said Act.

Return of allotment.

18. Subject to the provisions of sections 91 and 92 of the said Act the Company may make arrangements on the issue of shares of a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls.

Shares may be issued subject to different conditions. as to calls.

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

Instalments on shares to be duty paid.

20. Every member, or his executors or administrators or other representatives, shall pay to the Company the portion of the capital represented by his share or shares, which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner, as the Directors, shall, from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

Liability of members.

21. If any share stands in the names of two or more persons all the joint-holders of the share shall be severally as well as jointly liable for the payment of the deposits, instalments and calls due in respect of such shares, and for all incidents thereof according to the Company's regulations; but the person first named in the Register shall as regards service of notice, and all other matters connected with the Company, except the transfer of the share and any other matter by the said Act or herein otherwise provided, be deemed the sole holder thereof.

Liability of joint holders.

22. Save as herein or by law otherwise expressly provided, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required be bound to recognise any trusts whatsoever or equitable contingent, future, partial or other claim to or interest in such share on the part of any other person whether or not it shall have expressed or implied notice thereof, and save as aforesaid, on notice of any trust, express, implied, or constructive shall be entered on the Register, or be receivable by the Registrar; the Directors shall, however, be at liberty, at their sole discretion, to register any share in the joint names of any two or more persons, and the survivor or survivors of them.

Registered holder only the owner of the shares.

IV. CERTIFICATES OF SHARES

23. Every member or allottee of shares shall be entitled, unless such member or allottee opts to hold shares with a depository, without payment, to receive one certificate for the share or shares registered in his name, under the Common Seal of the Company and in such form as the Directors shall prescribe or approve, specifying the number and the denoting number or numbers of the share or shares in respect of which it is issued and the amount paid up thereon. Such certificate shall be issued and signed in accordance with the provisions of the Companies (Issue of Certificates) Rules 1960 or any modifications thereof or other rules for the time being in force in that behalf. The certificates shall be issued within three months after allotment or within two months from the registration of transfer unless the conditions of issue otherwise provide.

Member's right to certificate of shares.

24. A certificate of shares registered in the names of two or more persons unless otherwise directed by them in writing may be delivered to any one of them on behalf of them all.

May be delivered to any one of joint holders.

Issue of new or additional or duplicate certificate.

25. The Directors may issue additional or special certificates and may issue new certificates in place of a certificate which is worn out, defaced, lost, destroyed, filled up or otherwise whenever they think fit upon such terms as to indemnity, payment of costs or otherwise and on payment of such fee not exceeding Rupee one per certificate as the Directors may think fit. Provided that no fee shall be charged for the issue of new certificates in replacement or those which are old, decrepit, worn out, or where cages on the reverse for recording transfers have been fully utilised. A certificate may be renewed or a duplicate of the certificate may be issued if such certificate.

- (a) is proved to have been lost, or
- (b) having been defaced or mutilated or torn is surrendered to the company

The manner of issue or renewal of a certificate or issue of a duplicate thereof, the form of a certificate (original or renewed) or of a duplicate thereof, the particulars to be entered in the register of members or in the register of renewed or duplicate certificates the form of such registers, the fee on payment of which, the terms and conditions, if any (including terms and conditions as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the company in investigating evidence) on which a certificate may be renewed or a duplicate thereof may be issued, shall be such as may be prescribed by the Rules made under the Act.

Directors may waive fees.

26. The Directors may waive payment of any fee generally or in any particular case.

Endorsement on certificate.

27. Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by a Director, Secretary or some person for the time being authorised by the Directors in that behalf.

V. CALLS ON SHARES

Directors may make calls.

28. Subject to the provisions of section 91 of the said Act the Directors may, from time to time by means of resolutions passed at meetings of the Board make such calls as they may think fit upon the members in respect of moneys unpaid on the shares held by them respectively whether on account of the nominal value of the shares or by way of premium and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments. More than one call may be made by one resolution of the Board of Directors.

Calls may be made by instalments.

Call to date from resolution.

29. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be made payable by Members on the Register of Members on a subsequent date to be fixed by the Directors.

Notice of calls.

30. Fourteen days notice at least of every call made payable otherwise than on allotment shall be given by the Company in the manner hereinafter provided for the giving of notices specifying the time and place of payment, and the person to whom such call shall be paid. Provided that before the time for payment of such call the Directors may by notice given in the manner hereinafter provided revoke the same. The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who, from residence at a distance or from other cause, the Directors may deem fairly entitled to such extension; but no member shall be entitled to any such extension, except as a matter of grace and favour. A call may be revoked or postponed at the discretion of the Board.

Revocation of calls.

Provisions applicable to instalments.

31. If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment shall be payable as

if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalments accordingly.

32. If the sum payable in respect of any call or such other amount or instalments be not paid on or before the day appointed for payment thereof or any extension thereof as aforesaid, the holder for the time being of the share, in respect of which the call shall have been made, or such amount or instalment shall be due, shall pay interest for the same from the day appointed for the payment thereof to the time of actual payment, at such rate not exceeding nine per cent, as shall from time to time be fixed by the Directors. Nothing in this Article shall however, be deemed to make it compulsory on the Directors to demand or recover any such interest, and the payment of such interest wholly or in part, may be waived by the Directors if they think fit to do so.

When interest on call or instalment payable.

33. Any money due from the Company to a member may, without the consent and notwithstanding the objection of such members, be applied by the Company in or towards the payment of any money due from him to the Company for calls or otherwise.

Money due to members from the company may be applied in payment of call or instalment.

34. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the forfeiture of such shares as hereinafter provide.

Part payment on account of calls not to preclude Forfeiture.

35. On the trial or hearing of any action or suit brought by the Company against any member or his representatives to recover any moneys claimed to be due to the Company for any call or other sum in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, or one of the holders, at or subsequent to the date at which the money sought to be recovered, is alleged to have become due, of the shares in respect of which such money is sought to be recovered, and that the amount claimed is not entered as paid in the Books of the Company or the Register of Members and that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives issued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which such call was made, nor that the meeting at which such call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt, and the same shall be recovered by the Company against the member or his representatives from whom the same is sought to be recovered, unless it shall be proved, on behalf of such member or his representatives, against the Company that the name of such member was improperly inserted in the register, or that the money sought to be recovered has actually been paid.

Proof on trial of suit for money due on shares.

36. (a) The Directors may if they think fit, receive from any member willing to advance the same, either in money or money's worth the whole or any part of the amount remaining unpaid on the shares held by him beyond the sum actually called up and upon the money so paid or satisfied in advance, or so much thereof, as from time to time and at any time thereafter exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances have been made, the Company may pay or allow interest at such rate as the member paying such advance and the Directors agree upon; provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such member appears

Payment of unpaid share capital in advance.

Interest may be paid thereon.

to the Directors to be excessive, it shall be lawful for the Directors from time to time to repay to such shares, unless there be an express agreement to the contrary; and after such repayment such member shall be liable to pay, and such shares shall be charged with the payment of all future calls as if no such advance had been made, provided also that if at any time after the payment of any money so paid in advance, the company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the member to the company for instalments or calls, or in any other manner, the member making such advance shall be entitled (as between himself and the other members) to receive back from the Company the full balance of such moneys rightly due to him by the company in priority to any payment to members on account of capital.

Priority of payment in case of winding-up.

(b) The member making such advance shall not, however, be entitled to any voting rights in respect of the moneys so advanced by him until the same would, but for such payment, become presently payable.

VI. FORFEITURE OF AND LIEN ON SHARES

37. If any member fails to pay any money due from him in respect of any call made or amount or instalment as provided in Article 31 on or before the day appointed for payment of the same, or any such extension thereof as aforesaid or any interest due on such call or amount or instalment or any expenses that may have been incurred thereon, the Directors or any person authorised by them for that purpose may, at any time thereafter, during such time as such money remains unpaid, serve a notice in the manner here in after provided for the serving of notice such member or any of his legal representatives or any of the persons entitled to the share by transmission, requiring payment of the money payable in respect of such share, together with such interest and all expenses (legal or otherwise).

If call or instalment not paid, notice to be given to member.

38. The notice shall name a day (not earlier than the expiration of fourteen days from the date of the notice) and a place or place on or before and at which the money due as aforesaid is to be paid. The notice shall also state that in the event of the non-payment of such money at or before the time and the place appointed, the shares in respect of which the same is owing will be liable to be forfeited.

Term of Notice.

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

In default of payment shares may be forfeited.

40. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture or to any of his legal representatives, or to any of the persons entitled to the share by transmission and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members. The provisions of this Article are however directory only, and no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice, or to make such entry as aforesaid.

Notice of forfeiture.

41. Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, or otherwise dispose of the same, either to the original holder thereof or to any other person, and either by public auction or by private sale, and upon such terms and in such manner as they shall think fit.

Forfeited share to become the company's property and may be sold etc.

42. In the meantime, and until any share so forfeited shall be sold, or otherwise dealt with as aforesaid, the forfeiture thereof may at the discretion and by resolution of the Directors, be remitted or annulled as a matter of grace and favour but not as of right upon such terms and conditions as they think fit.

Forfeiture may be remitted or annulled.

43. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, remain liable to pay, and shall forthwith pay to the Company, all calls, amounts, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereof, from time to time of the forfeiture until payment, at such rates, not exceeding 9 per cent per annum as the Directors may determine, in the same manner in all respects as if the shares had not been forfeited without any deduction or allowance for the value of the shares at the time of the forfeiture and the Directors may enforce the payment thereof if they think fit (but without being under any obligation to do so, without entitling such member or his representative to any remission of such forfeiture or to any compensation for the same, unless the Directors shall think fit to make such compensation which they shall have full power to do, in such manner and on such term on behalf of the Company as they shall think fit.

Members still liable to pay money due, notwithstanding the forfeiture.

44. The forfeiture of a share shall involve the extinction of all interest in, and of all claims and demands against the Company of the member in respect of the share, and all other right of the member incident to the share except only such of those rights as by these Articles are expressly saved.

Effect of forfeiture.

45. A certificate in writing, under the signature of two Directors, or by a whole-time or Managing Director and countersigned by any person who may be authorised for the purpose by the Directors, that the call, amount or instalment in respect of a share was made or was due, or the interest in respect of a call, amount or instalment was or the expenses were payable, as the case may be, that notice thereof as aforesaid was given and default in payment was made and that the forfeiture of the share was made by a resolution of the Directors to that effect, shall be sufficient evidence of the facts stated there in as against all persons entitled to or interested in such share and such certificate and the receipt of the Company for the price of such share who shall, constitute a good title to such share in the purchaser of such share who shall as soon as he has completed the purchase, be entered in the Register of Members as the holder of the share. Any such purchaser shall not (unless by express agreement) be liable to pay any calls, amount, instalments, interest and expenses owing to the Company prior to such purchaser, nor shall he be entitled (unless by express agreement) to any of the dividends, interest or bonus accrued or which might have accrued upon the share before the time of completing his purchase. Such purchaser shall not be bound to see to the application of the purchaser money, nor shall his title to the share be effected by any irregularity in the proceedings in reference to the forfeiture of such share or the sale thereof.

Certificate of forfeiture.

Title of the purchaser.

46. The Company shall have a first and paramount lien upon all the shares, not being fully paid-up shares, registered in the name of each member (whether solely or jointly) with another or others, and upon the proceeds of sale thereof, for all moneys from time to time due or payable by him to the Company for calls than made and all amounts or instalments as provided Article 31 payable in respect of such shares and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares to be exempt, wholly or partially, from the provisions of this Article.

Company's lien on shares.

47. For the purpose of enforcing such lien, the Directors may sell the shares subject there to in such manner as they think fit, and transfer the same to the purchaser, without any consent and notwithstanding any opposition on the part of the indebted member or any other person or person interested therein, and a complete title to the share which shall be sold and transferred shall be acquired by the purchaser by virtue of such sale and transfer, against such indebted member and all person claiming with or under him whether he may be indebted to the Company in the point of fact or not. But no such sale shall be made until notice in writing stating the amount due, or specifying liability or

Lien enforced by sale.
Notice to be given.

engagement and demanding payment or fulfillment or discharge thereof, and the intention to sell in default shall have been served upon the person (if any) entitled by transmission to the shares or any or more of such heirs, executors, administrators, representatives or persons and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for seven days after such notice.

Application of proceeds.

48. The net proceeds of any such sale after payment of the cost of such sale, shall be applied in or towards the satisfaction of such debts, liabilities or engagements and the residue (if any) paid to such member, or any of his heirs, executors, administrators, representatives, or assigns, or any of the persons (if any) entitled by transmission to the shares sold.

Execution of instrument of transfer.

49. Upon any sale after forfeiture, or upon any sale for enforcing a lien, in purported exercise of the power hereinbefore given, the Directors may appoint some person or person to execute an instrument of transfer of the shares sold.

Validity of sale of such shares.

50. Upon any such sale after forfeiture, the Directors shall cause the purchasers, name to be entered in the Register in respect of the share sold and shall issue of the purchaser a certificate such as is specified in Article 23 hereof in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchaser money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

VII. TRANSFER AND TRANSMISSION OF SHARES

Register of transfers.

51. The Company shall keep a book called the "Register of Transfers" and there in shall be fairly and distinctly entered, particulars of every transfer or transmission of any share in the Company.

Instrument of transfer to be executed by transferor and transferee.

52. No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer shall be duly stamped and shall be executed by or on behalf of the transferor and the transferee, and, in the case of a share held by two or more holders or to be transferred to the joint names of two or more transferees, by all such joint holders or by all such joint-transferees, as the case may be. Several executors or administrators of a deceased member proposing to transfer the share registered in the name of such deceased member shall all sign the instrument of transfer in respect of the share as if they were the joint-holders of the share. The instrument of transfer shall specify the name, address and occupation, if any, of the transferee.

Shares to be transferred by an instrument in writing.

53. The Instrument of transfer of any share be in writing in the usual common form or in such other form as may be acceptable to the Directors.

Death of one or more joint-holders.

54. In the case of the death of any one or more of the persons named the Register as the joint-holders of any share the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of the deceased joint-holder from any liability on the shares held by him jointly with any other person.

Title to shares of deceased member.

55. The executors or administrators of a deceased member not being one of several joint-holders shall be the only persons recognised by the Company as having any title to the shares registered in name of such deceased member, and the Company shall not be bound to recognise such executors or administrators, unless they shall have first obtained Probate or Letters of Administration or other legal representation, as the case may be, as provided in Article 3, provided nevertheless, the Directors, in any case where they in their absolute discretion think fit, may dispense with the production of

Probate or Letters of Administration or such other legal representation, upon such terms as to indemnity or otherwise as they may deem fit, and under the next Article, register the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member as a member in respect of such shares.

- 55A 1. Every shareholder of the company, may at anytime, nominate, in the prescribed manner, a person to whom his shares of the Company shall vest in the event of his death.
2. Where the shares of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares of the shares of the Company as the case may be, shall vest in the event of death of all the joint holders.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise, in respect of such shares of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares of the Company, the nominee shall, on the death of the shareholder or, as the case may be, on the death of the joint holder become entitled to all the rights in such shares or, as the case may be, all the joint holders, in relation to such shares, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares of the company, in the event of his death, during the minority.

Nomination.

55B A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided elect, either

1. To be registered himself as holder of the share
2. To make such transfer of the share as the deceased shareholder could have made;
3. If the nominee elects 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 and such notice shall be accompanied with the death certificate of the deceased shareholder. All the limitations, restrictions and provisions of the Companies Act, 1956 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 of the member had not occurred and the notice or transfer were a transfer signed by that shareholders.
4. A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share except that he shall not, before being registered as a member in respect of his share, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the company.

Transmission of Securities by Nominee:

56. Subject to the provisions of the preceding Article, any person to whom the right to any share has been transmitted in consequence of the death or insolvency of any member, or otherwise by operation of law may, with the consent of the directors (which they shall not be under any obligation to give), and upon his producing such evidence that he sustains the character in respect of which he proposes to act under this Article, and

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

of his title, as the Directors think sufficient, either be registered himself as a member in respect of such share, or elect to have some person nominated by him and approved by the Directors registered as such member, provided nevertheless, that if such person shall elect to have nominee registered, he shall testify his election by execution to his nominee an instrument of transfer of the share in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares. This clause is hereinafter referred to as the transmission clause.

Evidence of transmission to be verified.

57. Every transmission of a share shall be verified in such manner as the Directors may require, and the company may refuse to register any such transmission, until the same be so verified, are unless and until an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient; provided, nevertheless, that there shall not be any obligation on the Company or the Directors to accept, any indemnity. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Rights of such person.

58. A person entitled to a share by transmission may until the Directors otherwise determine as provided by Article 122 receive and give discharge for any dividends, bonuses or other money payable in respect of the share, but he shall not be entitled to vote at meeting of the Company save as provided in Article 107 or save as aforesaid, and save as provided in Article 202 to any of the rights and privileges of a member, unless and until he shall have become a member in respect of the shares.

Procedure on application for transfer.

59. An application for the registration of a transfer of shares or other interest of a member in the Company may be made either by the transferor or the transferee. Where such application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the delivery of the notice. The notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.

Transfer to be left at office with certificate and with evidence of title.

60. Every instrument of transfer duly executed in accordance with the provisions, of these Articles and duly stamped, shall be left at the office of the Company for registration, accompanied by the certificate of the shares to be transferred or if no such certificate is in existence, the letter of allotment, and also such other evidence as the Directors may require to prove the title of the transferor, or his right to transfer the shares, and generally under and subject to such conditions and regulations as the Directors shall from time to time prescribe. Where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer it is proved to the satisfaction of the Directors that an instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may, if the Directors think fit, register the transfer on such terms as to indemnity as the Directors may think fit.

Directors may decline to register transfers.

61. The Directors may, at their own absolute and uncontrolled discretion and without assigning or being under any obligation to give any reason, decline to register or acknowledge any transfer or transmission of shares and in particular, may so decline in any case in which the Company has a lien upon the shares or any of them, or in the case of shares not fully paid up or whilst any moneys called up or payable at a fixed time in respect of the shares not fully paid up or whilst any money called up or payable at a fixed time in respect of the shares desired to be transferred or any of them remain unpaid, or unless the transfer is approved by the Directors. Provided that a registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or person indebted to the company on any account whatsoever except as stated herein above. The registration of a transfer shall be conclusive evidence of the

approval by the Directors of the transferee, but so far only as regards the share or shares in respect of which the transfer is so registered, and not further or otherwise, and not so as to debar the Directors from declining to register any subsequent or other transfer of other shares applied for in the name of such transferee. If the Directors refuse to register the transfer or transmission of any shares, notice of the refusal shall within two months from the date on which the instrument of transfer or intimation of transmission was delivered to the Company be sent to the transferee and the transferor or to the person giving intimation of the transmission, as the case may be. Such notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the given address in the instrument of transfer.

62. The transferor shall be deemed to remain the holder of the shares until the name of the transferee shall be entered in the Register of Members.

Transferor to remain holder of shares till transfer registered.

63. Every instrument of transfer which shall be registered shall remain permanently in the custody of the Company. If the transfer relates to the only share or all the shares comprised in the certificate, such certificate or a new certificate in lieu thereof shall, after the registration of the transfer be delivered to the transferee; and if the transfer relates only to a part of the shares comprised in the certificate, the same shall, on registration of the transfer, be retained by the Directors and cancelled, and new certificates will be issued to the transferor and the transferee in respect of the shares respectively held by them on payment of Rupees two or such less sum as the Directors may prescribe for each such certificate. The Directors may waive payment of fee either generally or in any particular case.

Registered transfer to remain with Company.

64. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to same party, a fee not exceeding fifty paise per share and subject to such maximum on any one transfer as shall from time to time be determined by the Directors. The Directors may waive payment of fee either generally or in any particular case.

Fee on transfer or transmission.

65. The Directors shall have power to close the Transfer Books of the Company, the Register of Members and the register of debenture holders if any at least fourteen days immediately preceding the Annual General Meeting in each year, and they may close the same at other time or times, and for such period or periods of time in every year as to them may seem expedient, but not exceeding forty-five days in any year and not exceeding thirty days at any one time. The Directors shall give previous notice by advertisement as required by Section 154 of the Act, in some newspaper circulating in Bombay of their intention to close the Transfer Books and or the Register of Members.

Transfer Books and Register may be closed for not more than 45 days in a year.

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

The Company not liable for disregarding any notice prohibiting registration of a transfer.

66A 1. Depositories Act : 'Depositories Act' means the Depositories Act, 1996, and any statutory modification or re-enactment thereof for the time being in force;

Definitions:
Dematerialisation of Securities

Depository : 'Depository' means a company formed and registered under the Companies Act, 1956 (1 of 1956) ('the Act') and which has been granted a certificate of registration under sub section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

Bye-laws : 'Bye-laws' mean bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

SEBI : 'SEBI' means the Securities and Exchange Board of India;

Regulations : 'Regulation's means the regulations made by SEBI;

Record : 'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI ;

Security : 'Security' means such security as may be specified by SEBI from time to time ;

Beneficial Owner : 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996 ;

Shareholder or member : 'Shareholder' or 'member' means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and/or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository.

2. Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, and other securities (both existing and future) held by it with the Depository and to offer its shares, and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules and/or Regulations framed thereunder if any.

3. Option for Investors :

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository.

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

4. Securities in Depositories to be in fungible form :

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

5. Rights of Depositories and Beneficial Owners :

- i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- ii. Save as otherwise provided in (1) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it.

- iii. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.
 - iv. The beneficial owner may with the previous approval of the depository create a pledge or hypothecation in respect of security owned by him through a depository and shall give intimation of such pledge or hypothecation to the depository and such depository shall thereupon make entries in its records accordingly. Any entry in the records of a depository shall be evidence of a pledge or hypothecation.
6. Depository to furnish information :
- Not with standing anything to the contrary contained in the Act or these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs.
7. Option to opt out in respect of any security :
- Such a person who is the beneficial owner of the securities can at any time opt out of a depository if permitted by law, in respect of any security in the manner provide by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.
- If a beneficial owner seeks to opt out of a Depository in respect of any security; the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.
- The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.
8. Sections 83 and 108 of the Act, not to apply :
- Not with standing anything to the contrary contained in the Articles –
- i. Section 83 of the Act shall not apply to the shares with a Depository.
 - ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.
9. Applicability of the Depositories Act :
- In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
10. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any shares, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards

receipt of dividends or bonuses or service of notice and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have expressed or implied notice thereof.

VIII. INCREASE AND REORGANISATION OF CAPITAL

Company may alter its capital in certain ways.

67. The Company may by ordinary Resolution so alter the conditions of its Memorandum of Association as :-

- (a) to increase its share capital by such amount as it thinks expedient;
- (b) to consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) to convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) to sub-divide its shares, or any of them into shares of smaller amount than is fixed by its Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived. The Company may at the same time by the requisite majority determine that as between the holders of the resulting shares one or more of such shares may subject to the provisions of sections 85, 87 and 88 of the Act be given any preference or advantage as regards dividend, capital, voting or otherwise over the other or any other of such shares;
- (e) to cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

Increase of capital by the Company and how carried into effect.

On what conditions new shares may be issued.

When to be offered to existing members.

68. The Company may, from time to time, in General Meeting, with the sanction of an Ordinary Resolution, whether all the shares for the time being authorised shall have been issued or not, and whether all the shares for the time being issued shall have been fully called up or not, increase its capital to any amount by the creation of new shares, such aggregate increase to be divided into shares of such respective amounts as the Company by the resolution authorising such increase directs or authorises. The new shares shall be issued upon such terms and conditions (and if preference shares upon such conditions as to redemption) and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct or authorise, and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and subject to the provision of sections 87 and 88 of the said Act with a special or without any right of voting; and the General Meeting resolving upon the creation of the shares may direct that any shares for the time being unissued and any new shares about to be issued, or any of them, shall be offered in the first instance, and either at par or at premium or at discount, to all the members or any class thereof, in proportion to the amount of capital held by them, or make any other provisions as to the issue and allotment of such original shares and the new shares; and failing such directions by the General Meeting resolving upon the creation of the shares, or so far as such directions shall not extend, the new shares shall be at the disposal of the Directors as if they formed part of the shares in the original capital. Whenever any shares are issued at a discount the provisions of section 79 of the said Act shall be complied with.

69. The Directors may from time to time without any sanction of the Company, whether all the shares for the time being subscribed shall have been fully called up or not, issue further shares of such value as they may think fit. Such further shares shall be issued upon such terms and conditions (and if preference shares upon such conditions as to redemption), and with such rights and privileges annexed thereto as the Board shall direct, and, in particular, such shares may be issued with a preferential or qualified right to dividend, and in the distribution of assets of the Company, and subject to the provisions of sections 87 and 88 of the said Act with a special or without any right of voting, and the Board may dispose of such shares or any of them either at par or at a premium or subject to the provisions of section 79 of the said Act at a discount, to any members or any class thereof or in such other manner as the Board may think most beneficial to the Company.

Increase of capital by the Directors and how carried into effect.

70. (1) Where the Board of Directors or the Company decides to increase the subscribed capital of the Company by allotment of further shares then unless the requirements of sub-section (1) (A) of section 81 of the act are complied with:

Further issue of capital.

- (a) Subject to the provision of section 206A of the Act such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these 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) 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 of Directors may dispose them of in such manner as they think most beneficial to the Company.

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 persons subject to such persons being approved by the Directors.

(2) Whenever any shares are to be offered to the members, the Directors may dispose of any such shares which, by reason of the proportion borne by them to the number of persons entitled to such offer, or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered to the members.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the conversion of debentures issued or loans raised by the Company into shares in the Company; provided that the terms of issue of such debentures or the terms of such loans include a term providing for an option to exchange such debentures or loans for shares in the company and such term :-

- (a) has been approved by a special resolution of the company before the issue of the debentures or the raising of the loans; and also
- (b) either has been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by that Government in this behalf.

Share premium account to be maintained.

71. Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called "the share premium account." The share premium account shall be applied only for the purposes authorised section 78 of the said Act.

How far new shares to rank with shares in original capital.

72. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment, of calls and instalments, transfer, transmission, forfeiture, lien, surrender, voting and otherwise in all respects as if it had been the original capital.

Notice of increase of capital.

73. The Directors shall, whenever the share capital is increased beyond the authorised capital, file with the Registrar of Companies notice of the increase of the capital as provided by section 97 of the said Act within the prescribed time after the passing of the resolution authorising the increase.

Transfer of stock.

74. (a) When any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interests therein or any party of such interest, in the same manner and subject to the same regulations as and subject to which shares in the Company's capital may be transferred, or as near thereto as circumstances will admit. But the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power, nevertheless, at their discretion to waive such rules in any particular case.

(b) Notice of such conversion of shares into stock or reconversion of stock into shares shall be filed with the Registrar of Companies as provided in section 95 of the said Act.

Rights of stock holders.

75. The stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but no such privileges or advantages, except the participation in profits of the Company, or in the assets of the Company on a winding-up shall be conferred by any such aliquot part, or, consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares and the words "share" and "shareholder" in these presents shall include "stock" and "stockholder".

Share warrant issued to bearer.

76. The Company may with the previous approval of the Central Government issue share warrants and accordingly the Directors may in their discretion, with respect to any fully paid up share on application in writing signed by the person or all persons registered as holders or holders of the share and authenticated by such evidence (if any) as the Directors may from time to time require as to the identity of the person or persons signing the application, and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Directors may from time to time prescribe, issue under the Company's seal a warrant duly stamped, stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of dividends or other moneys, on the shares included in the warrant. On the issue of a share warrant the provision of sections 144 and 115 shall apply. The bearer of a share warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall as bearer of

Holder of share warrant not to be a member.

a share warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice of meetings or otherwise, or be qualified in respect of the shares or stock specified in the warrant for being a Director of the Company, or have or exercise any other rights of a member of the Company.

77. The Directors may from time to time make rules as to the terms on which (if they shall think fit) a new share warrant or coupon may be issued in case of defacement, loss, or destruction and the fees to be charged for the same.

Directors may make, rules for issue of fresh share warrant or coupons.

IX. REDUCTION OF CAPITAL AND REDEMPTION OF SHARES

78. The Company may from time to time by Special Resolution, and subject to confirmation by the Court, reduce its share capital in any way; and in particular and without prejudice to the generality of the foregoing power, may:

Reduction of capital.

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

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

Capital may be paid off on the footing that it may be called up again or otherwise, and paid-up capital may be cancelled as aforesaid without reducing the nominal amount of the shares by the like amount to the intent that the unpaid and callable capital shall be increased by the like amount. The Directors shall, whenever the capital of the Company is reduced, duly comply with the provisions of sections 100 to 103 of the said Act.

79. (1) Whenever any preference shares are issued which are, or at the option of the Company are to be liable to be redeemed, the following provisions shall take effect:

Provisions relating to the redemption of preference shares.

- (a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purposes of the redemption.
- (b) No such shares shall be redeemed unless they are fully paid.
- (c) The premium, if any payable on redemption must be provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall, out of profits which would otherwise have been available for dividend, be transferred to a Reserve Fund to be called "The Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided under section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

- (e) Whenever the Company redeems any redeemable preference shares the provisions of section 95 of the Act shall be complied with.

(2) Subject to the provisions of section 80 of the Act and these Articles, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any such terms and conditions in such manner as the Directors may think fit.

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

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

(4) The Capital Redemption Reserve Fund may not withstanding anything in this Article be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

X. MODIFICATIONS OF RIGHTS

Power to modify rights.

80. Whenever the share capital (by reason of the issue of Preference Shares or otherwise) is divided into different classes of shares all, or any of the rights and the privileges attached to each class may, subject to the provisions of section 106 and 107 of the Act, be varied, modified, commuted, affected, abrogated or dealt with the consent in writing by the holders of not less than 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 issued shares of that class and all the provisions contained in these Articles as to General meeting (including the provision contained to quorum at such meetings) shall subject to the provisions of the said Act and the Rules made thereunder mutatis mutandis apply to every such meeting. The Company shall comply with provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

Article 80 not to derogate from Company's powers.

This Article is not to derogate from any power the Company would have if this Article were omitted and in particular the powers under sections 391, 394 of the said Act.

XI. GENERAL MEETINGS

Annual General Meeting.

81. The Company shall, in addition to any other meetings which are hereinafter referred to as "Extraordinary General Meetings" hold a general Meeting, which shall be styled its Annual General Meeting, and shall specify the meeting as such in the notice calling it.

Holding of Annual General Meeting.

82. (a) The Annual General Meeting shall be held in each year and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Provided that any Annual General Meeting may be held after such period of fifteen months if the Registrar of Companies shall extend the time for holding the same.

- (b) Every Annual General Meeting shall be held within period of six months from the date upto which the Balance Sheet and Profit and Loss Account of the Company intended to be placed before such Annual General Meeting are made up unless an extension of time has been granted for holding a meeting under the second provision to sub-section (1) of section 166 of the Act.
- (c) Every Annual General Meeting shall be called for a time during business hours, on a day that is not public holiday, and shall be held either at the Registered Office of the Company or at some other place within Bombay and notice calling the meeting shall specify it as the Annual General Meeting.
83. (a) The Directors may call Extraordinary General Meetings of the Company whenever they think fit and such meetings shall be held at such place and time as the Directors think fit. Directors may call Extraordinary General Meetings.
- (b) The Directors shall call an Extraordinary General Meeting of the Company in the manner provided by section 169 of the said Act on receiving a valid requisition complying in all respects with the provisions of the said section. If the Board does not within twenty-one days from the date of deposit of a valid requisition proceed to call a meeting to be held within forty-five days from such date a meeting may be called by the requisitionists as provided in the section. Extraordinary General Meeting to be called on requisition.
84. (1) A General Meeting of the Company may be called by giving not less than twenty-one days' notice in writing, but a General Meeting may be called after giving shorter notice if consent is accorded thereto- Length of notice.
- (i) in the case of an Annual General Meeting, by all the members entitled to vote thereat; and
- (ii) in the case of any other meeting, by members of the Company holding not less than 95 percent of such part of the paid-up share capital of the Company as gives a vote at the meeting;
- Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the latter.
- (2) Notice of every meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Contents of notice.
- (3) Such notice shall be given To whom notice to be given.
- (i) to every member of the Company, in any manner authorised by clauses, (1) to (4) of Article 199.
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or

by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and,

(iii) to the auditor or auditors for the time being of the Company in any manner authorised by section 53 in the case of any member or members of the Company.

Omission to give notice or non-receipt of notice shall not invalidate proceedings.

(4) The accidental omission to give notice to, or the non-receipt of notice, by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

(5) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies to attend and vote instead of himself, and that a proxy need not be a member.

Explanatory statements and inspection.

(6) Where any items of business to be transacted at the meeting are deemed to be special as provided in Article 85 there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any therein, of every Directors. Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under clause (3) of Article 199, the statement of material facts referred to in this clause need not be annexed to the notice as required by that section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(7) Provided further that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects, any other company, the extent of shareholding interest in that other company of every director, and the manager, if any, of this Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty percent of the paid-up share capital of that other company.

Inspection of documents referred in the explanatory statement.

(8) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

(9) The Directors shall duly comply with the provisions of section 190 of the said Act with regard to resolutions in respect of which special notice is required by the said Act.

Business to be transacted at meetings.

85. In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to (i) the consideration of the accounts, Balance Sheet and the report of the Board of Directors and Auditors, (ii) the declaration of a dividend, (iii) the appointment of Directors in the place of those retiring, and (iv) the appointment of and the fixing of the remuneration of the Auditors. In the case of any other meeting, all business shall be deemed special.

86. Upon a requisition of members complying with section 188 of the said Act the Directors shall duly comply with the obligations of the Company under the said Act relating to circulation of member's resolutions and statements relating to such resolutions.

Circulation of members' resolutions.

87. A certificate in writing, signed by a Director, or some officer appointed by the Directors for the purpose, to the effect that according to the best of his belief the notices convening the meeting have been duly given shall be prima facie evidence thereof.

Certificate conclusive as to the General Meeting having been duly called.

XII. PROCEEDINGS AT GENERAL MEETINGS

88. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business a statement of which has not been specified in the notice convening the meeting, except as provided in the said Act.

Business which may be transacted at meetings.

89. No business shall be transacted at any General Meeting, unless the requisite quorum is present at the time when the meeting proceeds to business. Five members personally present and entitled to be present and to vote shall be a quorum for a General Meeting for all purposes save as otherwise expressly provided in the said Act or in these presents. When more than one of the joint holders of a share is present not more than one of them shall be counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name shares stand shall for the purpose of this clause be deemed joint holders thereof.

Quorum of Members.

90. If, within half an hour from the time appointed for holding the meeting, a quorum of members is not present, the meeting if convened by or upon such requisition of members as aforesaid, shall be dissolved, but in any other case (subject to the provision of Article 156 (4) (b) it shall stand adjourned to the same day in the next week at the same place and time or to such other day and at such other time and place as the Board may determine.

If quorum not present, when meeting to be dissolved and when to be adjourned.

91. If at such adjourned meeting, a quorum of members is not present within half an hour from the time appointed for holding the meeting, the members present, whatever their number, not being less than two, shall be a quorum, and may transact the business, and decide upon all matters which could properly have been disposed off at the meeting from which the adjournment took place, if a quorum had been present thereat.

Adjourned meeting to transact business even if no quorum present.

92. The Chairman of the Directors, if any, shall if present and willing be entitled to take the chair at every General Meeting whether Annual or Extraordinary but if there be no such Chairman or in case of his not being present or being unwilling or failing to take the chair within fifteen minutes of the time appointed for holding such meeting, the members present shall choose another Director as Chairman, and if all the Directors present decline to take the Chair, or if there be no Director present, then the members present shall choose one of their own number to be Chairman of the meeting. If a poll is demanded it shall be taken forthwith in accordance with the provisions of Article 98, the Chairman elected on a show of hands exercising all the powers of the Chairman for purpose of such poll. If some other person is elected Chairman as a result of such poll, he shall be the Chairman for the rest of the meeting.

Chairman of General Meeting.

93. No business shall be transacted at any General Meeting except the election of Chairman, whilst the chair is vacant.

When chair vacant business confined to election of Chairman.

94. The Chairman may with the consent of a majority of the members personally present at any meeting, adjourn such meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. A resolution passed

Chairman with consent of members may adjourn meeting.

at an adjourned meeting of the Company shall be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Notice of adjournment.

95. Whenever any meeting is adjourned for thirty days or more, notice of such adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of any adjourned meeting or of the business to be transacted at an adjourned meeting.

Every resolution must be proposed and seconded.

96. No resolution submitted to a meeting unless proposed by the Chairman of the meeting, shall be discussed or put to vote until the same has been proposed by a member present and entitled to vote on such resolution and seconded by another member present at and entitled to vote.

Passing of Resolution by Postal Ballot

96A. "Notwithstanding anything contained in the Articles of Association of the Company, the Company do adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and/or in any other manner as may be prescribed by the Central Government in this behalf, in respect of the following matters;

- (i) Any business that can be transacted by the Company in a general meeting and
- (ii) Any resolution relating to such business as the Central Government may by notification declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/or in any other manner as prescribed by the Central Government in this regard."

Voting to be by show of hands.

97. (1) At any General Meeting, a resolution put to vote of the meeting shall, unless a poll is demanded under Article 98, be decided by a majority on a show of hands.

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

- (2) A declaration by the Chairman in pursuance of clause (1) thereof that on a show of hands a resolution has or has not been carried, or has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Poll.

98. (1) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by, any member or members present in person or by proxy and holding shares in the Company :-

- (i) Which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or
- (ii) on which an aggregate sum of not less than fifty thousand rupees has been paid-up.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll.

(3) If a poll is duly demanded, the same, if on the election of Chairman of a meeting or on any question of adjournment, shall be taken at the meeting and without adjournment, and if on any other question, shall be taken in such manner, and at such time and place in Bombay and either at once, or after an interval or adjournment not being later than forty-eight hours from the time when the demand was made as the

Chairman of the meeting who subject to the provisions of the said Act shall have power to regulate the manner in which a poll shall be taken, shall direct.

(4) Every such poll may be taken either by open voting or by a ballot as the Chairman of the meeting at which the poll was demanded may direct. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Poll how to be taken.

(5) Two scrutineers shall be appointed by the Chairman to scrutinise the votes given on the poll and report to him. The Chairman shall have the power any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or any other cause. At least one scrutineer shall be a member present at the meeting not being an officer or employee of the Company, provided such a member is available and willing to be appointed.

Appointment of scrutineers.

(6) The decision of the Chairman on any difference between the scrutineers shall be conclusive.

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

Other business may proceed notwithstanding demand for poll.

(8) A demand for a poll shall be made in the following or similar terms:
"We the undersigned members of BHARAT BIJLEE LIMITED hereby demand a poll upon the resolution now before this meeting.

Form of demand for poll.

dated this day of.....

99. In case of an equality of votes the Chairman of any meeting shall both on the show of hands and at a poll (if any) held pursuant to a demand made at such meeting have a casting vote in addition to the vote or votes to which he may be entitled to as a member.

Casting vote of the Chairman.

100. (1) (a) The Company shall cause minutes of all proceedings of every General Meeting, and of all proceedings at every meetings of its Board of Directors or of Committees of the Board, to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

Minutes of proceedings of General Meetings of Board and Other meetings.

(b) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(c) All appointments of officers made at any time of the meetings aforesaid shall be included in the minutes of the meeting.

(d) In the case of a meeting of the Board of Directors or a committee of the Board, the minutes shall also contain:-

- (i) the names of the Directors present at the meeting and
- (ii) in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from, or not concurring in the resolution.

- (e) Nothing contained in sub-clauses (a) to (d) shall be deemed to require the inclusion in any such minutes of any matter which, in the absolute discretion of the Chairman of the meeting—
- (i) is, or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
- Minutes to be kept.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed—
- (a) in the case of minutes of proceedings of a meeting of the Board or of a Committee thereof, by the Chairman of the said meeting or the Chairman of the next succeeding meeting;
 - (b) in the case of minutes of proceedings of a General Meeting by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- (3) Minutes of meetings kept in accordance with the provisions of clauses (1) and (2) shall be evidence of the proceedings recorded therein.
- (4) Where minutes of the proceedings of any General Meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of clauses (1) and (2) hereof, then until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and, in particular, all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.
- Presumption to be drawn where minutes duly drawn and signed.

XII. VOTES OF MEMBERS

101. (1) No member shall be entitled to exercise any voting right on any question either personally or by proxy or upon poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has or has exercised any right of lien.
- (2) Subject to Section 87 of the said Act the holder of Preference Shares shall have no right to speak or to vote either in person or by proxy at a General Meeting of the Company by virtue or in respect of the holding of such Preference Shares, unless—
- (a) a resolution is proposed at any such meeting affecting the rights or privileges of the holders of such Preference Shares in respect of such shares, or
 - (b) any resolution for reducing the capital of the Company, for winding up of the Company or for the sale of the undertaking of the Company is proposed at such General Meeting;
 - (c) the dividend due on such Preference Shares or any part of such dividend has remained unpaid in the case of cumulative preference shares in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting, and in the case of non-cumulative preference shares, either in respect of a period of not less than two years ending with the expiry of
- Indebted members not to vote.
- Preference shareholders have no right to speak or vote at General Meeting.

the financial year of the Company immediately preceding the commencement of the meeting or in respect of an aggregate period of not less than three years comprised in the six years ending with the expiry of the financial year aforesaid.

102. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or at a poll, by his Committee or other legal guardian and not otherwise, and any such Committee or guardian may, on a poll, vote by proxy.

Vote of a person of unsound mind.

103. (i) A body corporate (whether a company within the meaning of the said Act or not) may by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were a member, creditor or holder of debentures of the Company.

Representation of corporation.

(ii) Where the President of India or the Governor of a State is a member of the Company, the President or, as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President or, as the case may be, the Governor could exercise as a member of the Company.

Representation of the President and Governor.

(iii) Where any shares in the Company are held in trust by a person (hereinafter referred to as the Trustee) the rights and powers (including the rights to vote by proxy) exercisable at any meeting of the Company or at any meeting of any class of members of the Company by the Trustee as a member of the Company shall be exercisable in the manner provided in Section 187 B of the Act.

Voting rights in respect of shares held in trust.

104. Subject and without prejudice to any special privileges or restrictions or conditions for the time being attached to or affecting the preference or other special classes of shares, if any, issued by and for the time being forming part of the capital of the Company, every member entitled to vote under the provisions of these presents and not disqualified by the provisions of Article 101 and 102 or by any other Article shall on a show of hands have one vote and upon a poll every member, present in person or proxy or agent duly authorised by a power-of-attorney or representative duly authorised and not disqualified as aforesaid, shall have voting right in proportion to his share of the paid-up equity capital of the Company subject, however, to any limits imposed by law. But no members shall have any voting right in respect of any moneys paid in, advance as provided by Article 36.

Number of votes to which a member is entitled.

105. On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. A member or his proxy who votes shall be deemed to have used all his votes unless expressly gives written notice to the contrary at the time he casts any votes.

Rights to use votes differently.

106. Where there are joint registered holders of any share any one of such person may vote at any meeting in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting that one of the

Joint-holders.

said persons so present whose name stands first on the register in respect of such shares shall alone be entitled to vote in respect thereof. Where there are several executors of a deceased member in whose sole name any shares stand, any one of such executors or administrators may vote in respect of such shares unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote.

Votes of a person entitled to a share on transmission.

107. Any person entitled under the transmission clause (Article 56) to transfer any shares shall not be entitled to be present, or to vote at any meeting, either personally or by proxy, in respect of such shares, unless forty-eight hours at least before the time for holding the meeting or adjourned meeting, as the case may be, at which he proposes to be present and to vote, he shall have satisfied the Directors of his right to transfer such shares (as to which the opinion of the Directors shall be final), or unless the Directors shall have previously admitted his right to vote in respect of thereof.

Proxies.

108. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have right to speak at the meeting. Such proxy shall not be entitled to vote except on a poll.

Instrument of proxy to be in writing.

109. The instrument appointing a proxy shall be in writing and shall be signed by the appointor or his attorney duly authorised in writing. If the appointor is a body corporate, such instrument shall be under its seal or be signed by an officer or an attorney duly authorised by it, or by the person authorised to act as the representative of such company under Article 103. Any instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in the demand for a poll on behalf of the appointor.

Proxy may demand poll.

Instrument of proxy to be deposited at the Registered Office.

110. No instrument of proxy shall be treated as valid and no person shall be allowed to vote or act as proxy at any meeting under any instrument of proxy, unless such instrument of proxy and the power of attorney or other authority (if any under which it is signed or a notarially certified copy of that powers or authority shall have been deposited at the Registered Office of the Company, at least forty-eight hours before the time appointed for holding the meeting, or adjourned meeting at which the person named in such instrument proposes to vote. An instrument appointing a proxy or an attorney permanently or for a certain period once registered with the Company need not be again registered before each successive meeting and shall be in force until the same shall be revoked.

Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney at least seven days before the date of a meeting require him to produce the original power of attorney or authority and unless the same is thereupon deposited with the Company the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

Custody of the instrument of appointment.

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

112. The instrument appointing a proxy may be in either of the forms set out in Schedule IX to the said Act or the following form or as near thereto as circumstances admit:

Form of Proxy.

**FORM OF PROXY
BHARAT BIJLEE LIMITED**

I/We..... of
in the district ofbeing a member/members
of the abovenamed Company hereby appoint.....
of in the district of
or failing him of in the district of
as my/our proxy to vote for me/us on my/our
behalf at the Annual General Meeting/General Meeting (not being an Annual General Meeting) of the Company to be
held on the day of.....
and at any adjournment thereof.

Signed this day of 20

113. A vote given in pursuance of an instrument or proxy shall be valid, notwithstanding the previous death of the principal or the revocations of the proxy or any power-of-attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer shall have been received at the Registered Office of the Company before the vote is given.

Vote of proxy how far valid.

114. No objection shall be made to the validity of any vote, except at the meeting or adjourned meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

Time for objection to vote.

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

Chairman sole judge of the validity of a vote.

XIV. DIVIDENDS AND CAPITALISATION

116. The Company in General Meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits, and may fix the time for the payment thereof. The Company in General Meeting may at any time declare and pay an additional dividend in respect of any year prior to the year in which such meeting is held.

The Company in General Meeting may declare a dividend.

Powers of Directors to limit dividend.

117. No larger dividend shall be declared than is recommended by the Directors in office at the time of such recommendation, but the Company in General Meeting may declare a smaller dividend.

Dividends in proportion to the amount paid up.

118. Unless the Company otherwise resolves, dividends shall be paid in proportion to the amount paid-up or credited as paid-up on each-share, where a larger amount is paid-up or credited as paid-up on some shares than on others. Provided always that any capital paid-up on a share during the period in respect of which a dividend is declared shall unless otherwise resolved only entitle the holder of such share to proportionate amount of such dividend from the date of payment.

Capital advanced on interest not to earn dividends.

Capital paid-up in advance of calls shall not confer a right to dividend or to participate in profits.

Dividends out of profits only, and not to carry interest. What to be deemed profits.

119. No dividend shall be declared or paid except out of the profits of the Company of the year or any other undistributed profits after providing for depreciation as presented by Section 205 of the said Act, and no dividend shall carry interest against the Company. The declaration of the Directors in office at the time of such declarations as to the amount of net profits of the Company shall be conclusive.

Interim dividend.

120. The Directors may, from time to time, declare and pay to the members such interim dividend, as in their judgement the position of the Company justifies.

No member to receive dividends while indebted to the Company.

121. No member shall be entitled to receive payment of any dividend in respect of any share or shares on which the Company has a lien, or whilst any amount due of owing from time to time to the Company, either alone or jointly with any other person or persons, in respect of such share or shares or on any other account whatsoever, remains unpaid, and the Directors may retain, apply and adjust such dividend in or towards satisfaction of all debts, liabilities, or engagements in respect of which the lien exists, and of all such money due as aforesaid.

Retention of dividends until completion of transfer under the transmission clause.

122. The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member, or which any person under the same clause is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.

Transfer must be registered to pass right to dividend

123. (a) A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividend to be paid to registered holder.

(b) No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his bankers and in case a share warrant has been issued in respect of the share to the bearer of the share warrant or to his bankers.

Dividend when and how to be paid.

124. All dividends shall be paid or the cheque or warrant in respect thereof shall be posted within forty-two days of the date on which such dividend is declared by the Company. Any dividend payable in cash may be paid by cheque or warrant sent through the post directed to the registered address of the shareholder entitled to the payment of the dividend or in the case of the joint shareholder to the registered address of that one of the joint shareholders which is the first named in the register of members or to such persons and to such address as the shareholder or the joint shareholders may in direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission, or for any dividend lost to the member or person entitled thereto by forged endorsements on any cheque or warrant, or the fraudulent or improper recovery thereof by any other means.

125. Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the members in the manner hereinafter provided for giving of notice to members. Notice of dividends.

126. The Directors, may, if they think fit, call upon the members, when applying for dividends, to produce their share certificates to the Managing Director or Secretary or any other person appointed by them in that behalf. Production of share certificates when applying for dividends.

127. Any one of several persons who are registered as jointholders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share. Any one of jointholders of shares may receive dividends.

128. All unclaimed dividends shall be dealt with in accordance with the provisions of Section 205 A of the Act — Unclaimed dividends.

129. DELETED

130. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, and so that the call be made payable at the same time, as the dividend, and the dividend may, if so resolved by the Company in General Meeting, be set off against the calls. Dividend and call together.

131. (1) Any General Meeting may on the recommendation of the Board, direct capitalisation of the whole or any part of the undivided profits, for the time being of the Company or the whole or any part of the Reserve Fund or other funds of the Company including the moneys in the share premium account and the Capital Redemption Reserve Fund or the premiums received on the issue of any shares, debentures or debenture-stock of the Company and that such sum be accordingly set free for the purpose, (i) by the issue and distribution, among the holders of the shares of the Company or any of them, in accordance with their respective rights and interests and in proportion to the amounts paid or credited as paid-up thereon on paid-up shares, debentures, debenture-stock, bonds, or other obligations of the Company, or (ii) by crediting any shares of the Company which may have been issued and are not fully paid-up, in proportion to the amounts paid or credited as paid-up thereon respectively, with the whole or any part of the same. The Directors shall give effect to such resolution and apply such portion of the profits or Reserve Fund or premiums as may be required for the purpose of making payment in full at par for the shares, debentures, debenture-stock, bonds, or other obligations of the Company so distributed, or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the ordinary shares which may have been issued and are not fully paid-up, provided that no such distribution or payment shall be made unless recommended by the Board. Provided however that the moneys in the Share Premium Account and the Capital Reserve Fund or the premiums received on the issue of any shares, debentures or debentures-stock of the Company shall only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares. For the purposes aforesaid the Board shall make all appropriations and applications of the moneys resolved to be capitalised as aforesaid and allotments and issue of fully paid shares or debentures if any. Where any difficulty arises in respect of such distribution or payment, the Board may settle the same as they think expedient, and in particular they may issue fractional certificates and generally may make such arrangements for the acceptance, Capitalisation.

allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise, as they may think fit, and may make cash payments to any holders of shares on the footing of the value so fixed in order to adjust rights, and may vest any shares, debentures, debenture-stock, bonds, or other obligations in trustees upon such trust for adjusting such rights as may seem expedient to the Board. In cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon, but so that as between the holders of the fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on partly paid shares shall be so applied pro rata in proportion to the amounts then already paid or credited as paid on the existing fully paid and partly paid shares respectively. When deemed requisite, a proper contract shall be filed in accordance with Section 75 of the said Act, and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the Company which shall have been issued prior to such capitalisation and such appointment shall be effective.

- (2) A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax, be distributed among the members on the footing that they receive the same as capital.

For the purposes above set out the Company may apply the Share Premium Account subject to the provisions of the Section 78(2) of the said Act and the Capital Redemption Reserve Fund subject to the provisions of Section 80(5) of the said Act.

XV. ACCOUNTS

132. (1) The Directors shall keep or cause to be kept at the Registered Office of the Company or at such other place as the Board thinks fit proper books of account in respect of:- Accounts.
- (a) all sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure take place,
 - (b) all sales and purchases of goods by the Company, and
 - (c) the assets and liabilities of the Company.

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

- (2) Proper books of account shall also be kept at each branch office of the Company, whether in or outside India, relating to the transactions of that office and proper summarised returns made up to dates at intervals of not more than three months shall be sent by each branch office to the Company at its Registered Office of the Company or the other place referred to in clause (1) hereof.
- (3) The books of account referred to in clauses (1) and (2) shall be such books as are necessary to give a true and fair view of the state of affairs of the Company or such branch office and to explain its transactions.
- (4) The Books of account shall be open to inspection by any Director during business hours.
- (5) The Directors shall comply in all respects with Sections 209 to 220 of the said Act and any statutory modification thereof.

133. The Directors shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members not being Directors; 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 Directors, or by a resolution of the Company in General Meeting. Inspection to members when allowed.

134. At every Annual General Meeting of the Company the Directors shall lay before the Company a Balance Sheet and Profit and Loss Account for the period beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than 6 months or in case of extension granted as mentioned in Article 82(b) by more than six months and from such extended period. Such Balance Sheet and Profit and Loss Account may be for a period of one year or less or more than one year, but such period shall not exceed fifteen months unless special permission is granted by the Registrar under Section 210(4) of the said Act. Balance Sheet and Profit and Loss Account to be laid before the members.

135. The Balance Sheet shall give a true and fair view of the state of affairs of the Company at the end of the period of the account. Contents of Balance Sheet and Profit and Loss Account.

The Profit and Loss Account shall give a true and fair view of the Profit and Loss of the Company for the period of account.

The Balance Sheet and Profit and Loss Account shall comply with the provisions of Section 211 and 212 of the said Act.

Balance Sheet and Accounts and Report how to be signed.

136. The Balance Sheet and Profit and Loss Account shall be signed in accordance with the provisions of Section 215 of the said Act.

The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' report shall be attached thereto.

Directors' Report.

The Directors shall make out and attach to every Balance Sheet laid before the Company in the Annual General Meeting a Report of the Board of Directors which shall comply with the requirements of and shall be signed in the manner provided by Section 217 of the said Act.

137. DELETED

Copies of Balance Sheet etc., to be filed.

138. (1) Within thirty days after the Balance Sheet and Profit and Loss Account have been laid before the Company at the Annual General Meeting, the Company shall file with the Registrar copies, of the Balance Sheet and Profit and Loss Account together with copies of all documents which are required by the said Act to be annexed, attached to such Balance Sheet or Profit and Loss Account as prescribed by Section 220 and other provisions of the said Act and the Rules made thereunder.

(2) If the Annual General Meeting before which a Balance Sheet is laid as aforesaid does not adopt the Balance Sheet, a statement of that fact and of the reasons therefor shall be annexed to the Balance Sheet and to the copies thereof required to be filed with the Registrar.

When accounts to be deemed finally settled.

139. Every account when audited and approved by a General Meeting shall be conclusive, except as regards any error discovered therein within three months next after the approval thereof. Whenever any error is discovered within the period, the account shall forth with be corrected, and thenceforth shall be conclusive.

XVI. AUDIT

Accounts to be audited.

140. (a) The correctness of the Profit and Loss Account and Balance Sheet shall be ascertained by one or more Auditor or Auditors.

Audit of branch office accounts.

(b) Where the Company has a branch office the accounts of that office shall be audited in the manner provided by Section 228 of the Act.

Appointment of Auditors.

141. (1) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting, and shall within seven days of such appointment give intimation thereof to every Auditor appointed unless he is retiring auditor.

(2) At any Annual General Meeting, a retiring Auditor, by whatsoever authority appointed, shall be reappointed, unless:

(a) he is not qualified for re-appointment;

- (b) he had given the Company notice in writing of his unwillingness to be re-appointed;
- (c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed or
- (d) where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.
- (3) Where at an Annual General Meeting no Auditor's are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy. The Company shall, within seven days of the Central Government's power under this clause becoming exercisable, give notice of that fact to the Central Government.
- (4) (a) The Board may fill any casual vacancy in the office of an auditor; but while any such vacancy continues, the remaining Auditor, or Auditors, if any, may act;
- Provided that where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (b) Any Auditor appointed in a casual vacancy shall hold office until the conclusion of the next Annual General Meeting.
- (5) Any Auditor may be removed from office before the expiry of his term only by the Company in General Meeting after obtaining the previous approval of the Central Government in that behalf.
- (6) The remuneration of the Auditors of the Company :
- Auditor's remuneration.
- (a) in the case of an Auditor appointed by the Board or the Central Government, may be fixed by the Board or the Central Government, as the case may be; and
- (b) subject to sub-clause (a) shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine.
- For the purposes of this sub-clause, any sums paid by the Company in respect of the Auditor's expenses shall be deemed to be included in the expenses "remuneration".
142. (1) Special notice as provided by Section 190 of the said Act shall be required for a resolution at an Annual General Meeting appointing as Auditor a person other than a retiring Auditor, or providing expressly that a retiring Auditor shall not be re-appointed.
- Provisions as to resolutions for appointing or removing Auditors.
- (2) On receipt of notice of such resolution the Company shall duly comply with the provisions of Section 225 of the said Act.
143. (1) An Auditor must hold the necessary qualifications and be qualified for appointment as provided in Section 226 of the said Act.
- Qualifications and disqualifications of Auditors.

- (2) If an Auditor becomes subject, after his appointment, to any of the disqualifications specified in sub-sections (3) and (4) of the said section, he shall be deemed to have vacated his office as such.
- Powers and rights of Auditors. 144. (1) Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company, whether kept at the head office of the Company or elsewhere, and shall be entitled to require from the officers of the Company such information and explanations as the Auditor may think necessary for the performance of his duties as Auditor.
- (2) Where the accounts of any branch office are audited by a person other than the Company's Auditor, the Company's Auditor shall be entitled to visit the branch office, if he deems it necessary to do so for the performance of his duties as Auditor, and shall have a right of access at all times to the books and accounts and vouchers of the Company maintained at the branch office.
- Right of Auditor to attend General Meeting. (3) All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company; and Auditor shall be entitled to have notice of and attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
- Duties of Auditors. 145. (1) The Auditor shall make a report to the members of the Company on the accounts examined by him, and on every Balance Sheet and Profit and Loss Account and on every other document declared by the said Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in General Meeting during his tenure of office. Such report shall comply with the provisions of Section 227 (2) of the said Act.
- (2) Such report and any other documents of the Company required by law to be signed or authenticated by the Auditors, shall be signed or authenticated in the manner provided by Section 229 of the said Act.
- Reading and inspection of Auditors' Report. 146. The Auditors' report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

XVII. DIRECTORS, THEIR QUALIFICATION AND REMUNERATION

- Number of Directors. 147. The number of Directors shall not be less than three or until otherwise determined by a General Meeting more than twelve excluding the Debenture Directors (if any).
- Change in number of Directors. 148. Within the aforesaid limits the Company in General Meeting by ordinary resolution may increase or reduce the number of its Directors. Any increase beyond the said limit shall not have any effect unless approved by the Central Government under Section 259 of the said Act.
- Debenture Directors. 149. If and when the Company shall issue debenture, the holders of such debentures, or if and when the Company shall create a mortgage of any property, or otherwise borrow moneys the mortgagee or mortgagees to whom such property, shall be mortgaged or

the lender as the case may be given the right to appoint and nominate and from time to time remove and reappoint a Director or Directors. A Director so appointed under this Article is herein referred to as "the Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article, and he shall have all the rights and privileges of an ordinary Director of the Company, except in so far as is otherwise provided for herein or by the Trust Deed securing the debentures or the deed creating the mortgage, as the case may be.

150. The qualification of a Director (other than the Debenture Director if any) shall be the holding of shares in the Company of the nominal value of Rupees Five Thousand at least registered in his name, whether solely or jointly with another or others and whether beneficially or as a trustee for any person or persons or otherwise however, and it shall be his duty if he is not already qualified to obtain such qualification within two months after his appointment.

Qualifications of Directors.

151. The Directors shall arrange to maintain at the Registered Office of the Company a Register of Directors, Managing Agents, etc. containing the particulars and in the form prescribed by Section 303 of the said Act and a Register of Directors' Shareholdings as required by Section 307 of the said Act. It shall be the duty of every Director and other persons regarding whom particulars have to be maintained in such registers to disclose to the Company any matters relating to himself as may be necessary to comply with the provisions of the said sections.

Register of Directors etc., and of Directors' shareholdings.

152. Until otherwise resolved by the Company in general meeting in accordance with the provisions of Section 309 and other sections of the Act, the remuneration of every Director inclusive of the Managing Director (if any), whole time Director (if any), alternate Director (if any) and Debenture Director (if any) shall be such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board or of a Committee consisting wholly or partially of Directors attended by him, unless and for such period as the Board of Directors shall fix a lesser amount. The remuneration payable to any Director whether by way of fee for attending meetings as above provided or by way of a monthly, quarterly or annual payment or by way of commission based on the net profits of the Company shall be inclusive of the remuneration payable to him for services rendered by him in any other capacity. Provided that any remuneration for service rendered by any Director in any other capacity shall not be so included if :-

Sitting fees of Directors.

- (a) the services rendered are of a professional nature and
- (b) in the opinion of the Central Government the Director possesses the requisite qualifications for the practice of the profession.

153. Subject to the provisions of Sections 309 and 310 of the said Act :-

- (a) The Directors shall also be paid such further remuneration (if any) as the Company in General Meeting may by ordinary resolution from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time agree among themselves, and in default of such agreement within three months from the date of the General Meeting, in proportion to their respective attendances at Board Meeting during the year preceding the General Meeting.
- (b) If any Directors being willing, shall be called upon to go or reside away from his usual place of residence on the Company's business, or otherwise perform extra services (which expression shall include the work done by a Director in signing certificate of shares or debentures

Further remuneration as determined by General Meeting.

Special remuneration of Directors.

issued by the Company, or work done by him as a member of any Committee appointed by the Directors in terms of these Articles), the Directors may arrange with such Director for such special remuneration for such services, either by way of salary or commission, or otherwise perform extra services (which expression shall include money) as may be determined by the Directors, and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Director may receive travelling expenses.

- (c) The Directors may allow and pay to any Director who is not a bonafide resident of Bombay and who shall come to Bombay for the purpose of attending a meeting of the Directors or of a committee held outside Bombay, such sum as the Directors may consider fair compensation for his travelling expenses, in addition to his fee for attending such meeting, as above specified.
- (d) The Directors shall be entitled to be repaid any travelling and other expenses incurred in connection with the business of the Company.

XVIII. APPOINTMENT AND ROTATION OF DIRECTORS

General

154. (1) A person shall not be capable of being appointed Director of the Company, if -
- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force ;
 - (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 involving moral turpitude 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; unless such disqualification is removed by the Central Government;
 - (e) he has not paid any call in respect of 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; unless such disqualification is removed by the Central Government; or
 - (f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the said Act and is in force, unless the leave of the Court has been obtained for appointment in pursuance of that Section.

Appointment of Directors and proportion to retire by rotation.

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

- (2) The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.

156. (1) At every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, than, the number nearest to one-third, shall retire from office.

Provision regarding Directors retiring by rotation.

- (2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

- (3) A retiring Director shall be eligible for re-election.

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

- (b) If the place of a Director retiring by rotation is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.

- (c) If at the adjourned meeting also, the place of a Director retiring by rotation is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless —

- (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

- (iii) he is not qualified or is disqualified for appointment;

- (iv) a resolution, whether special or ordinary, is required for his appointment in virtue of any provisions of the said Act; or

- (v) the proviso to sub-section (2) of Section 263 or Article 160 (2) is applicable to the same.

157. The Company may at any Annual General Meeting fill up the office of any Director vacated during the previous year and not already filled up.

Company may fill up a vacancy.

158. (a) A person who is not Director retiring by rotation shall, subject to the provisions of the said Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to

Notice of candidature when to be given.

propose him, has not less than fourteen days before the meeting, left at the Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

- (b) The Company shall inform its members of the candidature of a person as a candidate for that office, by serving individual notices on the person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting:

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspaper circulating in the place where the registered office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

Consent of Directors
to be filed with
the Company and
Registrar.

159. (a) Every person (other than a person who has left at the office of the Company a notice under Article 158 signifying his candidature for the office of Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director if appointed.

- (b) A person other than :-

- (a) a director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
- (b) an additional or alternate director or a person filling a casual vacancy in the office of a director under Sec. 262, appointed as a director or re-appointed as an additional or alternate director, immediately on the expiry of his term of office.

Shall not act as a director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such director.

Appointment
of Directors to
be voted on
individually.

160. (1) At a General Meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.
- (2) A resolution moved in contravention of clause (1) shall be void, whether or not objection was taken at the time to its being so moved; provided that where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply.
- (3) For the purpose of this Article a motion for approving a person's appointment, or for nominating a person for appointment shall be treated as motion for his appointment.

161. The Directors shall have power at any time and from time to time, to appoint one or more additional Directors provided that the total number of Directors shall not there by exceed the maximum number fixed by Article 147. Each such additional Director shall hold office only upto the date of the next following Annual General Meeting, but shall be eligible for appointment by the Company at that meeting as Director.

Directors may appoint additional Directors.

162. (1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board Directors at a meeting of the Board.

Filling up of casual vacancies.

(2) Any person so appointed shall hold office only up to the date up which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

163. (1) The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.

Appointment of Alternate Director.

(2) An Alternate Director shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly, but he shall not require any qualification whilst the Original Director holds the necessary qualification.

(3) An Alternate Director shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held.

(4) If the term of office of the Original Director is determined before he so return to the State aforesaid any provisions for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original, and not to the Alternate Director.

(5) An Alternate Director may be removed by the Board of Directors which may appoint another Alternate Director in his place.

164. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below three, the continuing Directors may act for the purpose of increasing the number of Directors to the said number, or of summoning a General Meeting of the Company, but for no other purpose.

Directors may act notwithstanding vacancy.

XIX. VACATION OF OFFICE BY DIRECTOR

165. A Director may at any time resign from his office upon giving notice in writing to the Company of his intention to do so, and thereupon his office shall be vacated.

Resignation of Directors.

166. Subject to the provision of Section 284 of the said Act, the Company may, by ordinary resolution, remove a Director before the expiry of his period of office. A vacancy created by the removal of a Director under this Article may be filled by the appointment of another Director in his stead in the manner provided in the said section.

Removal of Directors.

167. A director shall vacate office if any office or place of profit under the Company or a subsidiary thereof is held in contravention of the provisions of Sec. 314(1) of the said Act with effect from the date provided in sub-section (2) of Sec. 314 of the Act.

Vacation of office by
Directors.

168. Subject to the provisions of section 283 of the said Act the office of a Director shall become vacant if.

- (a) he fails to obtain within the time specified in Article 150 or at any time thereafter ceases to hold the share qualification, if any, required of him by these Articles;
- (b) he is found to be of unsound mind by a Court of competent jurisdiction;
- (c) he applies to be adjudicated an insolvent;
- (d) he is adjudged an insolvent;
- (e) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months;
- (f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call; unless the Central Government has by a notification in the official gazette removed disqualification incurred by such failure.
- (g) he absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
- (h) he, (whether by himself or by any person acting for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the said Act;
- (i) he acts in contravention of Section 299 of the Act;
- (j) he becomes disqualified by an order of Court under Section 203 of the said Act;
- (k) he is removed in pursuance of Section 284 of the said Act (Article 166), or;
- (l) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

XX. PROCEEDINGS OF DIRECTORS

Meeting of
Directors.

169. A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit.

Notice of Meetings.

170. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.

171. The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two Directors whichever is higher:

Quorum of meetings.

Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two shall be the quorum during such time.

The expression "total strength" and "interested Director" shall have the meaning given in section 287 (1) of the said Act.

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

Procedure where meeting adjourned for want of quorum.

(2) The provisions of Article 169 shall not be deemed to have been contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms of that Article could not be held for want of a quorum.

173. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by law or under the articles and regulations for the time being vested in or exercisable by the Directors generally.

Power of quorum.

174. The Managing Director, or a Directors may, at any time, and the Secretary, if any, upon the requisition of a Director, shall convene a meeting of the Directors.

When meetings to be convened.

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

Questions how decided.

176. The Directors may elect a Chairman for their meetings, and determine the period for which he is to hold office, and unless otherwise determined the Chairman shall be elected annually. If no Chairman is elected, or if at any meeting the Chairman is not present within five minutes of the time appointed for holding the same, or is unwilling to preside, the Directors present may choose one of their number to be the Chairman of such meeting.

Chairman of Directors' meetings.

177. Subject to the provisions of section 292 of the said Act, the Directors may delegate any of their powers, other than the power to borrow and to make calls, to issue debentures and any other powers which by reason of the provisions of the said Act cannot be delegated, to committees consisting of such member or members of their body as they may think fit, and they may from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes. Every Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors, and all acts done by an such Committee in conformity with such regulations and in fulfilment of the purpose of their appointment, but not otherwise, shall have the like force and effect as if done by the Board.

Directors may appoint committee.

Powers of Committees.

Meetings and proceedings of Committee how governed.

178. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto, and are not superseded by the express terms of the appointment of any such Committee, or by any regulations made by the Directors.

Resolutions by circular.

179. A resolution not being a resolution required by the said Act or these Articles to be passed at a meeting of the Directors, may be passed without any meeting of the Directors or of a Committee of Directors provided that the resolution has been circulated in draft, together with the necessary papers, if any to all the Directors, or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members at their usual address in India, and has been approved by such of the Directors as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

Validity of acts of Directors.

180. All acts done by a person as a Director shall be valid, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in the said Act or in these Articles. Provided that this Article shall not give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

XXI. DIRECTORS DISQUALIFICATIONS

Director not to assign office.

181. Any assignment of his office by a Director shall be void.

Loans to Director, etc.

182. The Company shall not make any loan or give any guarantee or provide any security in contravention of section 295 and 370 of the said Act,

Director not to hold office of profit.

183. No Director or other persons mentioned in section 314 shall without the previous consent of the Company accorded by a Special Resolution hold an office or place or place of profit under the Company or any subsidiary of the Company except as provided in the said Section.

Directors may contract with the Company.

184. Subject to the restrictions imposed by Articles 182 and 183 and section 297, 299 and 314 of the said Act and the observance and fulfilment thereof, no Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker, muddam, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established.

Disclosure of interest by Director.

- A. (1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors.
- (2) (a) In the case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) above shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration,

or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting if the Board held after he becomes so concerned or interested.

- (b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (3) (a) For the purposes of clauses (1) and (2) of this Article above a general notice in writing given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
- (b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further periods of one financial year by a fresh notice in writing given in the last month of the financial year in which it would otherwise have expired.
- (c) No such general notice and no renewal thereof shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (4) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the Directors of the one company or two or more of them together holds or hold not more than two per cent, or the paid-up share capital in the other company.
- B. (1) No Director of the Company shall, as a Director, take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.
- (2) Clause (1) shall not apply to-
 - (a) any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company;
 - (b) any contract or arrangement entered into or to be entered into with a public company, or a private company which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely-
 - (i) in his being a Director of such company and the holder of not more than shares of such number or a value there in as is requisite to qualify him for appointment as a Director

Interested Director
not to participate
or vote in Board's
proceedings.

thereof, he having been nominated as such Director by this Company, or

- (ii) in his being a member holding not more than two per cent of the paid-up capital.

Directors may be directors of company promoted by the company.

185. A Director of this Company may be or become a Director of any company promoted by or a subsidiary of this Company, or in which it may be interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as director or member of such company.

XXII. BORROWING POWERS OF DIRECTORS

Power of borrow.

186. (1) Subject to clause (2) hereof the Directors may, from time to time at their discretion raise or borrow, or secure the repayment of any sum or sums or money for the purpose of the Company from any persons, firms companies, expressly including any member or Director of this Company. Any such moneys may be raised and the payment or repayment of such moneys may be secured in such manner and upon such terms and conditions in all respects as the Directors may think fit, and in particular, by promissory notes, or by opening current or other accounts or by receiving deposits and advances at interest, with or without security, or by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, or by mortgaging, charging or pledging any lands, buildings, machinery, plant, goods, or other property and securities of the Company, or by such other means as to them may seem expedient.

Conditions on which money may be borrowed.

(2) The Board of Directors shall not, except with the consent of the Company in General Meeting, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. Every resolution of consent of the Company in General Meeting shall specify the total amount upto which the moneys may be borrowed by the Board of Directors.

No debt incurred by the Company in excess of the limit imposed by this clause shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

The expression "temporary loans" means loans repayable on demand or within six months from the date of the loan such as short-term cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

Restrictions on borrowing powers of Board.

(3) Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company, shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company

Securities may be assignable free from equities.

(4) Any such debentures, debenture-stock or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount, etc., or with special privileges.

(5) Any such debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise, and on condition (with the consent of the Company in General Meeting) that they may have a right to allotment of or be conditions as to

redemption (or being irredeemable), surrender, drawings, reissue, attending at General Meetings of the Company, appointment of Directors, and otherwise, provided that no debentures, debenture-stock, bonds or other securities may be issued carrying voting rights.

(6) If any offer is made to the public to subscribe for or purchase debentures, the provisions of the said Act relating to a prospectus shall be complied with.

187. The Directors shall cause a proper register to be kept, in accordance with the provisions of section 143 of the said Act, of all mortgages, debentures, and charges and shall cause the requirements of section 118, and 124 to 144 of the said Act in that behalf to be duly complied with, so far as they are required to be complied with by the Directors.

Register of
Mortgages and
Debentures to be
kept.

XXIII. POWERS OF DIRECTORS

188. Subject to the provisions of section 292, 293, 293A, 294, 297 and 299, 316, 317, 370 and 372 of the said Act the Board of Directors of the Company shall be entitled to exercise all such powers, give all such consents, make all such arrangements, and generally do all such acts and things as are or shall be, by the said Act, and the Memorandum of Association and these presents, directed or authorised to be exercised, given, made or done by the Company, and are not thereby or hereby expressly directed or required to be exercised given, made or done by the Company in General Meeting, but subject to such regulations (if any) being not inconsistent with the said provisions as from time to time may be prescribed by the Company in General Meeting, provided that no regulation so made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if the regulation had not been made.

Business of the
Company to be
managed by the
Directors.

189. Save as provided by the said Act or by these presents, and subject to the restrictions imposed by section 292 of the said Act, the Directors may delegate all or any powers by the said Act or by the Memorandum of Association or by these presents reposed in them.

Power to delegate.

190. Subject to the provisions of Article 188 and 189 but without prejudice to the general powers thereby conferred and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers and authorities, that is to say, power and authority:-

Specific Powers
given to Directors.

- (a) to pay and charge to the Capital Account of the Company any commission or interest lawfully payable thereout under the provisions of sections 76 and 208 of the said Act;
- (b) to purchase in India or elsewhere, any machinery, plant, stores and other articles and things for all or any of the object or purposes of the Company;
- (c) to purchase, take on lease or otherwise, acquire in India any lands (whether freehold, leasehold, or otherwise) and with or without houses, buildings, structures or machinery, (fixed or loose) and any movable property, rights or privileges, from any person including a Director in furtherance of or for carrying out its objects at or for such price or consideration and generally on such terms and conditions; and with such title thereto as they may believe or be advised to be reasonably satisfactory;

- (d) to purchase, or otherwise acquire from any person and to re-sell, exchange, and repurchase any patent for or licence for the use of, any invention;
- (e) to purchase or otherwise acquire for the Company any other property, formulac, concessions, rights and privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit;
- (f) in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partly in cash or in shares, or in both, or in bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon, and any such bonds, debentures, mortgages, or other securities may be either specifically charged upon all or any part of the property of the company, and its uncalled capital, or not so charged.
- (g) to sell for cash or credit or to contract for the sale and future delivery of or to send for sale in any part of India or elsewhere any products or articles produced, manufactured or prepared by the Company as the Directors may deem advisable;
- (h) to erect, construct, and build any factories, warehouses godowns, engine houses, tanks, wells or other constructions, adapted to the objects of the Company as may be considered expedient or desirable for the objects or purposes of the Company or any of them;
- (i) to sell from time to time any articles, materials, machinery, plant, stores and other articles and things belonging to the Company as the Directors may think proper and to manufacture, prepare and sell waste and by-products;
- (j) from time to time extend the business and undertaking of the Company by adding to, altering, or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property or in the possession of the Company, or by erecting new or additional buildings and to expend such sums of money for the purposes aforesaid or any of them as, may be thought necessary, or expedient;
- (k) to remove all or any of the machinery, plant and other movable property of the Company for the time being in or upon lands, buildings, or premises of the Company to other lands, buildings, or premises;
- (l) to negotiate for, and subject to the approval of the Company in General Meeting, contract for the sale and transfer of all or any part of the property and undertaking of the Company as a going concern, subject or not to all or any of the obligations and liabilities of the Company;

- (m) to undertake on behalf of the Company the payment of all rents and the performance of all covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company, and to purchase the reversions, and otherwise to acquire the freehold or fee simple of all or any of the lands of the Company for the time being held under lease, or for an estate less than a freehold estate;
- (n) to improve, manage, develop, exchange, lease, sell resell and repurchase, dispose of, deal with or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested;
- (o) to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being, or in such manner as they may think fit;
- (p) to accept from any member, on such terms and conditions as shall be agreed upon, and as far as may be permissible by law, a surrender of his share or any part thereof;
- (q) to determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releasers, contracts and documents and to give the necessary authority for such purposes;
- (r) to make advances and loans without any security, or on such security as they may think proper, and to take security for already existing debts, and otherwise to invest and deal with any moneys of the Company in Government or Municipal securities, fixed deposits or deposits on call or notice in banks, and in such other manner as they may think fit, and from time to time to vary or realise such investments, and for the purposes aforesaid to authorise any Managing Director within limits to be fixed from time to time by the Directors;
- (s) to make and give receipts, releases and other discharges for moneys payable to, or for goods or property belonging to the Company, and for the claims and demands of the Company;
- (t) Subject to the provisions of section 292, 293, 293A, 295, 396, 370 and 372 of the said Act, to invest and deal with any money of the Company upon such security (not being shares of the Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in section 49 of the said Act all investments shall be made and held in the Company's own name;
- (u) to give to any officer or other person employed by the Company including any Director employed a commission on the profit of any particular business or transaction, or a share in general or particular profits of the Company, and such commission or share of profits shall be treated as part of the working expenses of the Company, and to pay commissions and make allowances to any person introducing business to the Company or otherwise assisting or promoting its interests;

- (v) subject to the provisions of section 49 of the said Act to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company, or in which the Company is interested, or for any other purposes and to execute and do all such acts, deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees;
- (w) to insure and keep insured against loss or damage or fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores produce and other movable property of the Company either separately or conjointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender, or discontinue any policies of assurance effected in pursuance of this power;
- (x) to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company such conditions as to the transfer thereof as they think fit;
- (y) to execute, in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon;
- (z) to institute, conduct, defend, compound, abandon or refer to arbitration, any action, suit, appeals, proceedings, for enforcing decrees and orders and other legal proceedings by or against the Company or its employees or otherwise, concerning the affairs of the Company, to compound or compromise and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company, and to refer the same to arbitration, to observe and perform any awards made thereon; to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (aa) any Managing Director or the Secretary (if any) for the time being or any other person duly authorised by the Directors shall be entitled to make, give, sign and execute all and every warrant to sue or defend on behalf of the Company, and all and every legal proceedings and compositions or compromise, agreement, and submission to arbitration and agreement to refer to arbitration as may be requisite, and for the purposes aforesaid, the Managing Director (if any) or such other person may be empowered to use their or his own name on behalf of the Company, and they or he shall be saved harmless and indemnified out of the funds and property of the Company, from and against all costs and damages which they or he may incur or be liable to by reason of their or his name so used as aforesaid;
- (bb) to provide for the welfare of the Directors, ex-Directors, employees or ex-employees of the Company, and the wives, widows and families or the dependents or connection of such persons and to give, award or allow and pension gratuity compensation, grants of money, allowances, bonus

or other payment to or for the benefit of such persons as may appear to the Directors just and proper, whether they have or have not a legal claim upon the Company, and, before recommending any dividends to set aside portions of the profit of the Company to form a fund to provide for such payments, and in particular to provide for the welfare of such persons, by building or contributing to the building of houses, dwelling or chawls, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospital and dispensaries, medical and other attendance and other assistance as the Directors shall think fit:

- (cc) to subscribe or contribute to or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, political, national, or other institutions, parties, object or funds which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility, the Directors shall duly comply with section 293 and 293A of the said Act;
- (dd) before recommending any dividend to set aside, out of the profits of the Company such sums as they think proper for depreciation, or as reserve or as loss to a Depreciation Fund, Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock or to pay off preference or other share-holders subject to the sanction of the Court when the same is required by law or for payment of dividends or equalising dividend or for special dividend or bonus or for repairing, improving extending and maintaining any part of the property of the Company and for such other purposes including the purposes referred to in the preceding clause as the Directors may in their absolute discretion think conducive to the interest of the Company and from time to time to carry forward such sum as may be deemed expedient and to invest and deal with several sums so set aside or any part thereof as provided in clause (r) of this Article as they think fit and from time to time to deal with and vary such investment and dispose of and apply and expend the same or any part thereof for the benefit of the Company in such manner and for such purpose as the Directors in their absolute discretion think conducive to the interest of the Company not withstanding that the matter to which the directors apply or upon which they expend the same or any part there of may be matters to and upon which the capital money of the Company might rightly be applied or expended and the Directors may divide the Reserve or any Fund into such special funds and transfer any sum from one fund to another as they may think fit and may employ the assets constitution all or any of the above funds including the Depreciation Fund or any part thereof in the business of the Company or in the purchase or repayment of debentures or debenture-stock or preference share or in payment of special dividend or bonus and that without being bound to keep the same separate from the other assets, and without being bound to pay interest for the same with power however to the Directors at their discretion to pay or allow to the credit of such funds or any of them interest at such rate as the Directors may think proper not exceeding 9 per cent per annum;

- (ee) from time to time and at any time to entrust to and confer upon the Managing Director (if any) or other officers for the time being of the Company, and to authorise or empower them to exercise and perform and by Power of Attorney under seal to appoint any persons to be the attorney of the Company and invest them with such of the powers, authorities, duties and discretions exercisable by or conferred or imposed upon the Directors but not the power to make calls or other powers which by law are expressly stated to be incapable of delegation as the Directors may think fit, and for such time and to be exercised for such object and purposes and subject to such restrictions and conditions, as the Directors may think proper or expedient and either collaterally with, or to the exclusion of and in substitution for all or any of the powers, authorities, duties and discretions of the Directors in that behalf, with authority to any Managing Director or such other officers or attorneys to subdelegate all or any of the powers, authorities, duties, and discretions for the time being vested in or conferred upon them and from time to time to revoke all such appointments of attorney and withdraw, alter or vary all or any of such powers, authorities, duties and discretion;
- (ff) to appoint, and at their pleasure to remove, discharge, or suspend and to re-employ or replace, for the management of the business, a manager (subject to section 388 of the said Act read with section 269) secretaries, experts, departmental heads, accountants, agents, sub-agents, bankers, brokers, muddadums, solicitors, officers, clerks, servants, and other employees for permanent, temporary or special service, as the Directors may from time to time think fit, and to determine their powers and duties and to fix their emoluments, salaries, wages, and to require security in such instances and to such amount as they think fit, and to insure and arrange for guarantee for fidelity of any employees of the Company and to pay such premiums on any policy of guarantee as may from time to time become payable;
- (gg) Subject to the provisions of section 292 of the said Act from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of any Local Boards, and to fix their remuneration. And from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, other than their power to make a Call and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation. Any such delegate may be authorised by the Directors to subdelegate all or any of the powers, authorities and discretions for the time being vested in him;
- (hh) at any time and from time to time by Power of Attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment

(if the Directors think fit) may be made in favour of the members on any of the members of any Local Board established as aforesaid, or in favour of any Company or the members Directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Directors, and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorney as the Directors may think fit;

- (ii) from time to time to provide for the management and transaction of the affairs of the Company outside Bombay or in any specified locality in India or outside India, in such manner as they think fit, and in particular to appoint any person to be the Attorneys or Agents of the Company with such powers, authorities, and discretions (including power to sub-delegate) but not exceeding those vested in or exercisable by the Directors, and also not to make calls or issue debentures and for such period, and upon such terms and subject to such conditions as the Directors may think fit, and at any time to remove any person so appointed or withdraw or vary any such powers as may be thought fit, and for that purpose the Company may exercise the powers conferred by section 50 and 157 of the Act relating to official seal for use abroad and the keeping in any State or country outside India a foreign Register respectively and such powers shall accordingly be vested in the Directors;
- (jj) for or in relation to any of the matters aforesaid or otherwise for the purposes and objects of the Company to enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute, perform and do and sanction, and authorise all such acts, deeds, matters and things, in the name and on behalf of the Company as they may consider expedient;
- (kk) to open accounts with any bank or bankers or with any company, firm or individual for the purpose of the Company's business and to pay money into and draw money from any such account from time to time as the Directors may think fit;
- (ll) generally subject to the provisions of the Act and these Article to delegate the powers, authorities and discretions vested in the Directors to any person, firm, company or fluctuating body of persons as aforesaid.

XXIV. DUTIES OF DIRECTORS

191. The Directors shall duly comply with the provisions of the Companies Act, 1956 or any other statutory modifications thereof for the time being in force, and the rules made thereunder and in particular the provisions in regard to registration of the particulars of mortgages, debentures and charges affecting the property of the Company or created by it, and keeping Register of Directors, Managers, etc., and sending to the Registrar annual returns and an annual list of members, and a summary of particulars relating thereto, and the Balance Sheet and the notice of any consolidation or increase of share capital or conversion of shares into stock and the copies of Special Resolutions and the Register of Directors, Managers, etc., and notification of any change therein.

Directors to comply with statutory duties.

XXV. MANAGING DIRECTOR

192. (a) The Directors may from time to time appoint one or more of their body or any other suitable person or persons to be Managing Director

Appointment.

or Managing Directors of the Company either for a fixed term or without any limitations as the period for which he or they is or are to hold such office, and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

- (b) A Managing Director shall, subject to the terms of his appointment or of any contract between him and the Company, be subject to the same provisions as to qualification, resignation and removals as the other Directors of the Company, and if he ceases to hold the office of Director for any cause, shall ipso facto and immediately cease to be a Managing Director.
- Remuneration. (c) Subject however to any contract between the Company and a Managing Director, the remuneration of a Managing Director shall from time to time be fixed by the Directors and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form.
- Powers of Managing Directors. (d) The Board of Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit and may confer such powers and such time and to be exercised for such objects and purposes and alone or jointly with another Managing Director and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. Unless and until otherwise determined, a Managing Director may exercise all the powers exercised by the Directors save such powers as by the Act or by these Article shall be exercisable by the Directors themselves.

XXVI. INDEMNITY TO AND PROTECTION OF DIRECTORS AND OFFICERS

Indemnity. 193. Every officer of the Company as defined by section 2(30) of the said Act or any person (whether an officer of the Company or not) employed by the Company as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged, or in connection with any application under section 633 of the said Act in which relief is granted to him by the Court.

Indemnity to Directors and other officers. 194. Subject to the provision of section 201 of the said Act, every Director of the Company or every Managing Director of the Company (if any) Manager, Secretary, Trustee, Auditor and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company, to pay all losses, costs, and expenses which any such person, officer, or servant may incur or become liable to by reason of any contract entered into or any act or thing done by him as such officer or servant, or in any way in or about the discharge of his duties, including travelling expenses.

Directors and other officers not responsible for acts of others. 195. Subject to the provisions of section 201 of the said Act, no Director or any of the Managing Directors of the company, Manager, Secretary, Trustee, Auditor and other officer or servant of the Company shall be liable for the acts, receipt, neglects or defaults

of any other Director or officer or servant, or for any joining in any receipts or other act for the sake of conformity merely, or for any loss or expenses happening to the Company through the insufficiency or deficiency in point of titles or value of any property acquired by the order of the Directors for or on behalf of the Company, or mortgaged to the Company, or for the insufficiency or deficiency of any security in or upon which any of the money of Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, company or corporation to or with whom any moneys, securities, or effects of the Company shall be entrusted or deposited, or for any loss occasioned by any error of judgement, omission, default or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution or performance of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

XXVII. SECRETARY.

196. (1) The Directors may from time to time appoint a Secretary, either for fixed term, or without any limitation as to the period for which he is to hold that office, and may from time to time remove or dismiss him from office and appoint another in his place, and fix the remuneration of such Secretary, which may be by way of salary, or commission, or participation in profits, or by any or all of these modes, and may also from time to time appoint a temporary substitute for the Secretary who shall be deemed to be the Secretary during the term of his appointment. The Secretary may be one of the Directors of the Company other than the Managing Director. Appointment of Secretary.
- (2) The Secretary for the time being shall exercise and perform all powers, authorities, discretions and duties as may from time to time be vested in, conferred upon, or assigned to him by the Directors appointing him, or by these presents. Powers and duties of Secretary.

XXVIII. THE SEAL.

197. (1) The Directors shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being. The Seal shall never be used except by the authority of the Board of Directors or a Committee of the Board authorised by it in that behalf previously given. The Seal and its custody and use.
- (2) Every deed or other instrument to which the seal of the Company is to be affixed shall be sealed in the presence of either a Managing Director (if any) or of a whole time Director (if any) or of any one Director who shall sign the same. The Seal how to be affixed.

Save that the Directors shall as regard affixing the Seal on share Certificates comply with the provisions of the Rules issued in that behalf under the Act.

XXIX. NOTICE AND SERVICE OF DOCUMENTS.

198. It shall be imperative on every member to notify to the Company for registration his place of address in India and if he has no registered address within India, to supply to the Company an address within India for the giving of notices to him. Members to notify address for registration.

A member who shall change his name or address, or who being a female, shall marry, shall notify such change of name or address to the Company.

199. (1) Subject to section 53 of the said Act a document may be served by the Company on any member thereof either personally or by sending it by post to him to his registered address, or if he has no registered address in India, to the address if any within India supplied by him to the Company for the giving of notices to him.
- (2) Where a document is sent by post :-
- (a) Service thereof shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document provided that where a member has intimated to the Company in advance that documents should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member, and
- (b) such service shall be deemed to have been effected;
- (i) in the case of the notice of a meeting, at the expiration of fortyeight hours after the letter containing the same is posted, and
- (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (3) A document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him.
- (4) A document may be served by the Company on the jointholders of a share by serving it on the jointholder named first in the Register of Members in respect of the share.
- (5) A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.

200. A certificate in writing signed by a Managing Director or a Director of the Company or the Secretary (if any), or other officer of the Company, that the letter containing the notice was so addressed and posted shall be prima facie evidence thereof.

201. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by any and every notice and other document in respect of such share which previous to his name and address being entered upon the Register shall have been duly given to the person from whom he derives his title to such share.

Transfer of successors in title of members bound by notice given to previous holders.

202 Any notice required to be given by the Company to be members or any of them and not expressly provided for by these presents shall be sufficiently given, if given by advertisement, once in an English and once in a vernacular daily newspaper circulating in Bombay.

When notice may be given by advertisement.

203. Any notice or document served in the manner hereinbefore provided shall, notwithstanding such member be then dead, and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any shares, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof and such service shall, for all purposes of these presents, be deemed a sufficient service of such notice or documents on his heirs, executors, administrators and all persons (if any) jointly interested with him in any such shares.

Services of notice good notwithstanding death of member.

204. Any notice given by the Company shall be signed by a Managing Director or the Secretary or some other officer appointed by the Directors, and the signature thereto may be written, pointed, or lithographed, or photostat.

Signature to notice.

205. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by Registered Post or by leaving it at his Registered Office.

Service of documents on Company.

206. Where a given number of day's notice or notice extending over any other period is required to be given, the day of service shall not be counted nor shall the day for which notice is given be counted.

How time to be counted.

XXX. SECRECY CLAUSE

207. (1) Every Director, trustee for the Company, shareholder or debenture holder shall, if so required by the Board, sign a declaration pledging himself to observe a strict secretary respecting all transactions of the company and transactions with its customers and the state shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by a Court of law and except so far as may be necessary, in order to comply with any of the provisions in these Articles contained.

Secrecy clause.

(2) No member shall be entitled to visit any works of the Company without the permission of the Directors or of any Managing Director or to require discovery of or any information respecting any detail of the Company's working, trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process, which may relate to the conduct of the business of the Company, and which in the opinion of the Directors, it will be inexpedient in the interests of the members of the Company to communicate to the public.

XXXI. WINDING-UP

208. If upon the winding-up of the Company, the surplus assets shall be more than sufficient to repay the whole of the paid-up capital, the excess shall be distributed amongst the members in proportion to the capital paid or which ought to have been paid on the shares at the commencement of the winding-up held by them respectively, other than the amounts paid in advance of calls. If the surplus assets shall be insufficient to repay the whole of the paid-up capital, such surplus assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital

Distribution of assets.

paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively, other than the amounts paid by them in advance of calls. But this Article is without prejudice to the rights of the holders of any shares issued upon special terms and conditions and shall not be construed so as to or be deemed to confer upon them any rights greater than those conferred by the terms and conditions of issue.

Distribution of
assets in specie.

209. If the Company shall be wound-up whether voluntarily or otherwise, the following provisions shall take effect;

(1) The Liquidator, may, with the sanction of a Special Resolution, divide among the contributories in specie or kind any part of the assets of the Company, and may, with the like sanction, vest any part of the assets of the Company in the trustees upon such trust for the benefit of the contributories or any of them, as the Liquidator with the like sanction shall think fit.

(2) If thought fit any such division may be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights, or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby, shall have the right to dissent and shall have ancillary rights as if such determination were a Special Resolution passed pursuant to section 494 or 507 of the said Act.

(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares, may, within seven days after the passing of the special resolution, by notice in writing, direct the Liquidator to sell his proportion and pay him the net proceeds, and the Liquidator shall, if practicable, act accordingly.

Liquidator may sell
for shares in another
Company.

210. Any such Liquidator may, irrespective of the powers conferred upon him by the said Act, and as additional power of conferring a general or special authority, sell the undertaking of the Company, or the whole or any part of its assets for shares fully or partly paid-up, or the obligations of or other interest in any other company, and may by the contract of sale agree for the allotment to the members directly of the proceeds of sale in proportion to their respective interests in the Company, and in case the shares of this Company shall be of different classes, may arrange for the allotment in respect of preference shares of the Company of obligations of the purchasing company, or of shares of the purchasing company with preference or priority over or with a large amount paid-up than the shares allotted in respect of ordinary shares of this Company, and may further by the contract, limit a time at the expiration of which shares, obligations or other interests not accepted or required to be sold, shall be deemed to have been refused and be at the disposal of the Liquidator.

Sale under section
494 and 507 of the
Companies Act,
1956.


211. Upon any sale under the last preceding Article, or under the powers given by Section 494 and 507 of the said Act, no members shall be entitled to require the Liquidator either to abstain from carrying into effect the sale or the resolution authorising the same, or to purchase such member's interest in this Company, but in case any member shall be unwilling to accept the share, obligations or interests, to which under such sale he would be entitled he may, within seven days of the passing of the resolution authorising the sale, by notice in writing to the Liquidator, require him to sell such shares, obligations or interests and thereupon the same shall be sold in

such manner as the Liquidator may think fit, and the proceeds shall be paid over to the member requiring such sale.

| No. | Name, Address and Description of Subscriber | Number of shares taken by Subscriber | Witness |
|-----|---|--------------------------------------|---|
| 1. | Mr. Jamnadas K. Gandhi 601E, Vincent Road, Matunga, Bombay 19. | ONE | } Mr. Vajubhai M. Shukla 601E, Vincent Rd., Matunga, Bombay 19. |
| 2. | Mr. Keshavlal M. Gandhi 601E, Vincent Road, Matunga, Bombay 19. | ONE | |

Dated this Twenty second day of June 1946.

Certified True Copy
For Bharat Bijlee Ltd.


Company Secretary