

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION

OF

CARNATION INDUSTRIES LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Annual General Meeting of the Company held on _____, 2014 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

TABLE 'F' EXCLUDED

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| Table 'F' not to apply | 1.(1) | The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. |
| Company to be governed by these Articles | (2) | The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. |
| Articles to be contemporary in nature | (3) | The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. |

Interpretation

"The Act"	2. (1)	In these Articles — (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
"The Articles"		(b) "Articles" means these articles of association of the Company or as altered from time to time.
"Applicable Law"		(c) "Applicable Law" means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.
"The Board of Directors" or "The Board"		(d) "Board of Directors" or "Board", means the collective body of the directors of the Company.
"The Company"		(e) "Company" or "This Company" means Carnation Industries Limited.
"Chief Executive Officer"		(f) "Chief Executive Officer" means an officer of a Company, who has been designated as such by the Company
"Chief Financial Officer"		(g) "Chief Financial Officer" means a person appointed as the Chief Financial Officer of a Company.
"Depository"		(h) "Depository" means a Depository as defined in clause (e) sub-section (1) of section 2 of the Depositories Act, 1996 and includes a company formed and registered under the Companies Act, 1956 or the Companies Act, 2013 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.
"The Rules"		(i) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
"Managing Director"		(j) "Managing Director" means a Director who, by virtue of the

articles of the Company or an agreement with the company or a resolution passed in its General Meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a Director occupying the position of Managing Director, by whatever name called.

“Members”

(k) “Members” in relation to a company, means- (a) the subscribers to the Memorandum of Association of the Company who shall be deemed to have agreed to become members of the Company, and on its registration, shall be entered as member in its register of members, (b) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company; (c) every person holding shares in the Company and whose name is entered in Register of Beneficial Owners as Beneficial Owner.

“The Seal”

(l) “Seal” means the common seal of the Company.

“These Presents”

(m) “These Presents” means the Memorandum of Association and the Articles of Association of the Company.

“Number” and
“Gender”

(2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

Expressions in the
Articles to bear the
same meaning as in
the Act

(3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

Share capital and variation of rights

- Shares under control of Board **3.** Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- Directors may allot shares otherwise than for cash **4.** Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
- Kinds of Share Capital **5.** The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
- (a) Equity share capital:
 - (i) with voting rights; and / or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
 - (b) Preference share capital
- Issue of certificate **6.(1)** Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission -
- (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
- Certificate to bear seal **(2)** Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- One certificate for shares held jointly In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such

holders.

Option to receive share certificate or hold shares with depository **7.**

A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

Issue of new certificate in place of one defaced, lost or destroyed **8.**

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

Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc. **9.**

The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

Power to pay commission in connection with securities issued **10. (1)**

The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

Rate of commission in accordance with Rules	(2)	The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
Mode of payment of commission	(3)	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
Variation of members' rights	11. (1)	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
Provisions as to general meetings to apply mutatis mutandis to each meeting	(2)	To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.
Issue of further shares not to affect rights of existing members	12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
Power to issue redeemable preference shares	13.	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
Further issue of share capital	14. (1)	The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to – (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) employees under any scheme of employees' stock option; or

(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

Mode of further issue of shares (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Lien

Company's lien on shares **15.** (1) The Company shall have a first and paramount lien -
(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:
Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Lien to extend to dividends, etc. (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

Waiver of lien in case of registration (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

As to enforcing lien by sale **16.** The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:
Provided that no sale shall be made—
(a) unless a sum in respect of which the lien exists is presently payable; or
(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
(a) unless a sum in respect of which the lien exists is presently payable; or
(b) until the expiration of fourteen days after a notice in

writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

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| Validity of sale | 17. | (1) | To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. |
| Purchaser to be registered holder | | (2) | The purchaser shall be registered as the holder of the shares comprised in any such transfer. |
| | | (3) | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. |
| Purchaser not affected | | (4) | The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. |
| Application of proceeds of sale | 18. | (1) | The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. |
| Payment of residual money | | (2) | The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. |
| Outsider's lien not to affect Company's lien | 19. | | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. |
| Provisions as to lien to apply mutatis mutandis to debentures, etc. | 20. | | The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company. |

Calls on shares

- Board may make calls **21.** (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- Notice of call (2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- Board may extend time for payment (3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
- Revocation or postponement of call (4) A call may be revoked or postponed at the discretion of the Board.
- Call to take effect from date of resolution **22.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- Liability of joint holders of shares **23.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- When interest on call or instalment payable **24.** (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
- Board may waive interest (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

- Sums deemed to be calls **25.** (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- Effect of non-payment of sums (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- Payment in anticipation of calls may carry interest **26.** The Board -
(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
- Instalments on shares to be duly paid **27.** If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
- Calls on shares of same class to be on uniform basis **28.** All calls shall be made on a uniform basis on all shares falling under the same class.
- Partial payment not to preclude forfeiture **29.** Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
- Provisions as to calls to apply mutatis **30.** The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of

mutandis to the Company.
debentures, etc.

Transfer of shares

Instrument of 31. The instrument of transfer of any share in the Company shall
transfer to be be duly executed by or on behalf of both the transferor and
executed by transferee.
transferor and
transferee

Board may refuse 32. The Board may, subject to the right of appeal conferred by the
to register transfer Act decline to register -
(a) the transfer of a share, not being a fully paid share, to a
person of whom they do not approve; or
(b) any transfer of shares on which the Company has a lien.

Board may decline 33. In case of shares held in physical form, the Board may
to recognise any instrument of transfer unless -
instrument of
transfer (a) the instrument of transfer is duly executed and is in the
form as prescribed in the Rules made under the Act;
(b) the instrument of transfer is accompanied by the certificate
of the shares to which it relates, and such other evidence as
the Board may reasonably require to show the right of the
transferor to make the transfer; and
(c) the instrument of transfer is in respect of only one class of
shares.

Transfer of 34. On giving of previous notice of at least seven days or such
shares when lesser period in accordance with the Act and Rules made
suspended thereunder, the registration of transfers may be suspended at
such times and for such periods as the Board may from time to
time determine:
Provided that such registration shall not be suspended for
more than thirty days at any one time or for more than forty-
five days in the aggregate in any year.

Nomination 35. (1) Every holder of Shares in the Company may at any time
nominate, in the manner prescribed under the Act, a person to
whom his shares in the Company shall vest in the event of
death of such holder.
(2) Where the Shares of the Company are held by more than one
person jointly, the joint holders may together nominate a
person to whom all the rights in the shares of the Company, as

the case may be, held by them shall vest in the event of death of all joint holders.

- (3) Notwithstanding anything to the contrary contained in these presents or 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 shareholders or on the death of all the joint holders become entitled to all the rights in the shares of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.
- (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 under the provisions of the Act, any person to become entitled to the shares in the Company, in the event of his death, during the minority.

Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc. **36.** The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Transmission of shares

Title to shares on death of a member **37. (1)** On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

Estate of deceased member liable (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Transmission Clause **38. (1)** Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made.

Board's right unaffected	(2)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
Indemnity to the Company	(3)	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
Right to election of holder of share	39. (1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
Manner of testifying election	(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
Limitations applicable to notice	(3)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
Claimant to be entitled to same advantage	40.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
Provisions as to transmission to apply mutatis mutandis to debentures, etc.	41.	The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

Forfeiture of shares

- If call or instalment not paid notice must be given **42.** If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
- Form of notice **43.** The notice aforesaid shall:
(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- In default of payment of shares to be forfeited **44.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- Receipt of part amount or grant of indulgence not to affect forfeiture **45.** Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
- Entry of forfeiture in register of members **46.** When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
- Effect of forfeiture **47.** The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights

incidental to the share.

- Forfeited shares may be sold, etc. **48.** (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
- Cancellation of forfeiture (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- Members still liable to pay money owing at the time of forfeiture **49.** (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
- Cesser of liability (3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- Certificate of forfeiture **50.** (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- Title of purchaser and transferee of forfeited shares (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- Transferee to be registered as holder (3) The transferee shall thereupon be registered as the holder of the share; and
- Transferee not affected (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the

share.

- Validity of sales **51.** Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
- Cancellation of share certificate in respect of forfeited shares **52.** Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
- Sums deemed to be calls **53.** The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc. **54.** The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Alteration of capital

- Power to alter share capital **55.** Subject to the provisions of the Act , the Company may, by ordinary resolution –
- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
 - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (d) sub-divide its existing shares or any of them into

shares of smaller amount than is fixed by the memorandum;

- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Shares may be converted into stock

56.

Where shares are converted into stock:

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

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

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

Right of stockholders

- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.

Reduction of capital

57.

The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

Joint Holders

Joint-holders

58.

Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

Liability of Joint-holders	(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
Death of one or more joint-holders	(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
Receipt of one sufficient	(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
Delivery of certificate and giving of notice to first named holder	(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
Vote of joint-holders	(e)(i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.
Executors or administrators as joint holders	(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.	(f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

Capitalisation of profits

Capitalisation

- 59.** (1) The Company may, upon recommendation of the Board, resolve that any amount standing to the credit of the Capital Redemption Reserve Account or Securities Premium Account of the Company or any undivided profits of the Company standing to the credit of Company's other Reserve Accounts or to the credit of the Company's profit and loss account or otherwise available for dividend be capitalised ("capitalised fund") and distributed amongst such of the shareholders of the Company as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in issuing and paying up in full any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

- (A) paying up any amount for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B)

Powers of the Board for capitalisation

- 60.** (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall –
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (b) generally do all acts and things required to give effect thereto.

Board's power to issue fractional certificate/coupon etc.

- (2) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions;
- and
- (b) to authorise any person to enter, on behalf of all the

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

Agreement binding on members (3) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

Buy-back of shares 61. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Dematerialisation of Securities

Dematerialization of Securities 62. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

63. The Board shall be entitled to dematerialise Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialised.

Options for investors 64. (1) Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. 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 securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.

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

Securities in 65. All securities held by a Depository shall be dematerialized and

depositories to be in fungible form

be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.

Rights of Depositories and Beneficial Owners **66.**

- (1) Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.
- (2) Save as otherwise provided in 66(1) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- (3) Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

Service of Documents **67.**

Notwithstanding anything to the contrary contained in these Articles, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode or by delivery of floppies or discs.

Transfer of securities **68.**

Nothing contained in Section 56 of the Act or anything to the contrary contained in these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Allotment of securities dealt with in a Depository **69.**

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

Distinctive number of securities held in a Depository **70.**

Notwithstanding anything to the contrary contained in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a Depository.

Register and index of Beneficial Owners **71.**

The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

General meetings

- Annual General Meeting** **72.** (1) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.
- (2) Every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated.
- (3) In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:
- (a) the consideration of financial statements and the reports of the Board of Directors and the Auditors;
 - (b) the declaration of any Dividend;
 - (c) the appointment of Directors in place of those retiring;
 - (d) the appointment of, and the fixing of the remuneration of, the Auditors
- Extraordinary general meeting **73.** All general meetings other than annual general meeting shall be called extraordinary general meeting.
- In case of meetings other than Annual General Meeting, all business shall be deemed special.
- Powers of Board to call extraordinary general meeting **74.** The Board may, whenever it thinks fit, call an extraordinary general meeting.
- Passing of resolution by Postal ballot **75.** (1) Where permitted or required by applicable Law, the Board may, instead of calling a meeting of any members/ class of members/ debenture-holders, seek their assent by Postal ballot. Such Postal ballot will comply with the provisions of the Act and Rules made thereunder in this behalf.
- (2) Where permitted/required by applicable Law, the Board may provide Members/Members of a class/Debenture-holders right to vote through e-voting, complying with applicable Law.
- (3) Notwithstanding anything contained in the foregoing, the Company shall transact such business, follow such procedure and ascertain the assent or dissent of Members for a voting conducted by Postal ballot, as may be prescribed by Section

110 of the Act and Rules made thereunder.

Proceedings at general meetings

- | | | |
|--|------------|--|
| Presence of Quorum | 76. | (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. |
| Business confined to election of Chairperson whilst chair vacant | 76. | (2) No business shall be discussed or transacted at any general meeting except election of Chairman whilst the chair is vacant. |
| Quorum for general meeting | 76. | (3) The quorum for a general meeting shall be as provided in the Act. |
| Chairman of the meetings | 77. | The Chairman (if any) of the Board shall preside as Chairman at every general meeting of the Company. |
| Directors to elect a Chairman | 78. | If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the directors present shall elect one of their members to be Chairman of the meeting. |
| Members to elect a Chairman | 79. | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, on a show of hands or by poll or electronically, choose one of their members to be Chairman of the meeting. |
| Casting vote of Chairman at general meeting | 80. | On any business at any general meeting, in case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall have a second or casting vote. |
| Minutes of proceedings of meetings and resolutions passed by postal ballot | 81. | (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. |
| Certain matters not to be included in Minutes | 81. | (2) There shall not be included in the minutes any matter which, in the opinion of the Chairman of the meeting –

(a) is, or could reasonably be regarded, as defamatory of any |

person; or

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

Discretion of
Chairman in relation
to Minutes

(3) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

Minutes to be
evidence

(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

Inspection of minute
books of general
meeting

82. (1)

The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

(a) be kept at the registered office of the Company; and

(b) be open to inspection of any member without charge, as provided in the Act and the Rules.

Members may
obtain copy of
minutes

(2)

Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above, Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

Powers to arrange
security at meetings

83.

The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

Adjournment of meeting

Chairman may
adjourn the

84. (1)

The Chairman may, with the consent of the meeting, adjourn

meeting		the meeting from time to time and from place to place.
Business at adjourned meeting	(2)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
Notice of adjourned meeting	(3)	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
Notice of adjourned meeting not required	(4)	Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

Entitlement to vote on show of hands and on poll	85.	Subject to any rights or restrictions for the time being attached to any class or classes of shares - (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
Voting through electronic means	86.	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
Vote of joint-holders	87. (1)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
Seniority of names	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
How non compos mentis and minor may vote	88.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
Votes in respect of shares of deceased or insolvent members, etc.	89.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the

Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Business may proceed pending Poll **90.**

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

Restriction on voting rights **91.**

No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

Equal rights of members **92.**

Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

Member may vote in person or otherwise **93.** (1)

Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

Proxies when to be deposited (2)

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

Form of proxy **94.**

An instrument appointing a proxy shall be in the form as prescribed in the Rules.

Proxy to be valid notwithstanding death of the principal **95.**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

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

Board of Directors

Board of Directors	96.	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (Three) and shall not be more than 12 (Twelve).
Directors liable to retire by rotation	97.	The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.
Remuneration of directors	98.	<p>(1) Subject to the provisions of Section 197 of the Act, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.</p> <p>Provided that where the Company takes a Directors' Liability Insurance, specifically pertaining to a particular Director, then the premium paid in respect of such insurance, for the period during which a Director has been proved guilty, will be treated as part of remuneration paid to such Directors.</p> <p>(2) Subject to the provisions of the Act and Rules made thereunder, the fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the limits prescribed under the Act. Fee, at may be determined by the Board, may also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act.</p>
Travelling and other expenses	(3)	The Board may allow any pay to any director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or resided out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.
Appointment of additional directors	99.	<p>(1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p>
Duration of office of additional director	(2)	Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting

subject to the provisions of the Act.

- Appointment of alternate director of **100.**
(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
- Duration of office of alternate director (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
- Re-appointment provisions applicable to Original Director (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
- Appointment of director to fill a casual vacancy of **101.**
(1) If the office of any director appointed by the Company in a general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- Duration of office of Director appointed to fill casual vacancy (2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.
- Independent Directors **102.**
(1) The Company shall appoint such number of Independent Directors as may be required under the Act and other Laws and the Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.
- (2) Any casual vacancy in the post of an Independent Director caused by way of removal, resignation, death, vacation of office under the Act and Law, removal from Directorship pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down in the Act and rules made thereunder. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.
- (3) An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

- (4) The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.

Woman Director **103.** The Company shall appoint such number of Woman Directors as may be required under the Act and the Rules.

Powers of Board

General powers of the Company vested in Board **104.** The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum of Association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such Regulation shall invalidate any prior act of the Board which would have been valid if such Regulation had not been made.

Execution of negotiable instruments **105.** All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

Proceedings of the Board

When meeting to be convened **106.** (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

Who may summon Board meeting (2) The Chairman or any one Director with the previous consent of the Chairman may, or the company secretary on the direction of the Chairmanshall, at any time, summon a meeting of the Board.

Quorum for Board meetings (3) The quorum for a Board meeting shall be as provided in the Act.

Participation at (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual

Board meetings			means or teleconferencing, as may be prescribed by the Rules or permitted under law.
Questions at Board meeting decided	how	107. (1)	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
Casting vote of Chairperson at Board meeting		(2)	In case of an equality of votes, the Chairman of the Board, if any, shall have a second or casting vote.
Directors not to act when number falls below minimum		108.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
Who to preside at meetings of the Board		109. (1)	The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office.
		(2)	If no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Vice-Chairman, if there be one or failing him the Managing Director shall be the Chairman of such meeting. If none of the above are available, the Directors present shall choose one of their number to the Chairman of such meeting.
Delegation of powers	of	110. (1)	The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
Committee to conform to Board regulations		(2)	Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
Participation at Committee meetings	at	(3)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
Chairman of Committee	of	111. (1)	A Committee may elect a Chairman of its meetings unless the Board, while constituting a Committee, has appointed a Chairman of such Committee.
Who to preside at meetings of		(2)	If no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the members present may

Committee		choose one of their members to be Chairman of the meeting.
Committee to meet	112. (1)	A Committee may meet and adjourn as it thinks fit.
Questions at Committee meeting how decided	(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
Casting vote of Chairman at Committee meeting	(3)	In case of an equality of votes, the Chairman of the Committee shall have a second or casting vote.
Acts of Board or Committee valid notwithstanding defect of appointment	113.	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
Passing of resolution by circulation	114.	Save as otherwise expressly provided in the Act, a resolution in writing and signed, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

Chief Executive Officer, etc.	115. (a)	Subject to the provisions of the Act,— A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.
Director may be chief executive officer, etc.	(b)	A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Registers

Statutory registers **116.** The Company shall keep and maintain all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements in such place and manner, containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during business hours of the Company during such time, not being less than 2 hours on any day, at the registered office of the Company or at such other place where they may be kept under the provisions of the Act by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act and the Rules.

Foreign register **117.** (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

The Seal

The seal, its custody and use **118.** (1) The Board shall provide for the safe custody of the seal.

Affixation of seal (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of two directors or one director and the secretary or such other person as the Board may appoint for the purpose; and such director and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Dividends and Reserve

Company in general meeting may declare dividends **119.** The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Interim dividends	120.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
Dividends only to be paid out of profits	121. (1)	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
Carry forward of profits	(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
Division of profits	122. (1)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
Payments in advance	(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
Dividends to be apportioned	(3)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom	123. (1)	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
Retention of dividends	(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member,

until such person shall become a member in respect of such shares.

- Dividend remitted how **124.** (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- Instrument payment of (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- Discharge Company to (3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
- Receipt of one holder sufficient **125.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- No interest on dividends **126.** No dividend shall bear interest against the Company.
- Waiver of dividends **127.** The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Accounts

- Inspection Directors by **128.** (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules
- Restriction inspection members on by (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

Documents and Notices

- Service of documents and notice
- 129.** (1) A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and rules made thereunder.
- (2) Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.
- Newspaper advertisement of notice to be deemed duly serviced
- 130.** A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.
- Notice to whom served in case of joint shareholders
- 131.** A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share.
- Notice to be served to representative
- 132.** A document or notice may be served or given by the Company on or to 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 him or them by name or by the title of representatives of the deceased or assignee 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 entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the

same might have been given if the death or insolvency had not occurred.

Service of notice of General Meetings **133.** Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.

The accidental omission to give notice 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.

Members bound by notice **134.** Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

Notice to be served by post or other electronic means **135.** All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office or by such other electronic means as prescribed in Section 20 of the Act and the Applicable Law made thereunder.

Admissibility of micro films, computer prints and documents to be treated as documents and evidence **136. (1)** Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 are complied with.

(2) All provisions of the Information Technology Act, 2000 relating to the electronic records, including the manner and format in which the electronic records shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under Section 398 of the Act.

Winding up

Winding up of Company **137.** Subject to the applicable provisions of the Act and the Rules made thereunder -

(a) If the Company shall be wound up, the liquidator may,

with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

Directors and officers right to indemnity

138. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any 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 applicable provisions of the Act in which relief is given to him by the Court.

Insurance

(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

General Power

General power

139.

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

Dated the.....day of

Place: