

THE COMPANIES ACT, 1956  
PUBLIC COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF

# Harig Crankshafts Limited

1. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof.

The Marginal notes hereto shall not affect the construction thereof and in these presents unless there be something in the subject or context inconsistent herewith.

'The Company' means "**HARIG CRANKSHAFTS LIMITED**".

'The Act' means the Companies Act, 1956 and includes any re-enactment or statutory modifications thereof for the time being in force.

'Director' means the Directors for the time being of the Company.

'The Board' means the Board of Directors for the time being of the Company.

'Managing Director' means the Managing Director for the time being of the company.

'Office' means the Registered office for the time being of the Company.

'Register' means the Register of members to be kept pursuant to Section 150 of the Act.

'Seal' means the Common Seal for the time being of the Company.

'Month' means the Calender month.

'Dividend' includes Bonus.

'Person' includes body corporate and society registered under the Societies Registration Act.

'Proxy' includes Attorney duly constituted under a power of attorney.

'Debenture' includes debenture-stocks.

'These Present' means the Memorandum of Association and these Articles of Association of the company for the time being in force.

'Words' importing the singular number shall include the plural number and vice versa.

'Articles' means these Articles of Association or as altered and modified from time to time according to law.

2. **Table 'A' not to apply**

The Regulations contained in Table 'A' in the first schedule to the Companies Act, 1956,

shall not apply to the Company, except in so far as they are embodied in the following Articles which shall be the regulations for the management of the Company.

**3. Share Capital**

"The Authorized share capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 50,00,00,000 (Fifty Crores) equity shares of Re. 1/- (One) each with the power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes or to attach thereto respectively such preferential, convertible, deferred, qualified special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or ~~abrogate any such rights, privileges or conditions, in such manner as may for the time being be provided by the Articles of Association of the Company."~~

~~Subject to the provisions of Section 80 of the Companies Act, the Company may issue Preference Shares which are or at the option of the Company are liable, to be redeemed on such terms and in such manner, as the Board may determine from time to time.~~

**5. Allotment of Shares**

Subject to the provisions of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose off the same to such person, on such terms and conditions, at such times, either at par or at a premium and for such consideration as the Board thinks fit. Provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then subject to the provisions of Section 81(1-A) of the Act, the Board shall issue such shares in the manner set out in Section 81(1) of the Act.

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

**6. Allotment of Shares for Consideration other than Cash**

The Board may allot and issue shares in the Capital of the Company as partly or fully paid in consideration of any property sold or goods transferred or machinery supplied or for services rendered to the Company and any shares which may be so allotted may be issued as fully or partly paid up shares.

**7. Shares to be Numbered**

The shares in the capital shall be numbered progressively according to their serial denominations.

**8. Return of Allotment**

As regards all allotments made from time to time the Company shall duly comply with Section 75 of the Act.

**9. Restriction of Allotment**

If the Company shall offer any of its shares to the Public for subscription:

- (1) no allotment thereof shall be made, unless the amount stated in the prospectus as minimum subscription has been subscribed and the sum payable on application thereof has been paid to and received by the Company;
- (2) the amount payable on application on each shares shall not be less than 5 per cent of the nominal amount of the shares; and
- (3) the Company shall comply with the provisions of sub-section (4) of Section 69 of the Act.

**10. Commission & Brokerage**

In accordance with the provisions of Section 76 of the Act, the Company may pay Commission on any shares/debentures issued by the Company. However, the rate of Commission shall not exceed 5% of the price of shares and 2½ % of the price of debenture issued.

**11. Share at a Discount**

With the previous authority of the Company in General Meeting and the sanction of the Company Law Board and on compliance of Section 79 of the Act, the Board may issue shares at a discount of a class already issued.

**12. Installments on Shares to be duly Paid**

If, by the conditions of issue of any shares, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the company by the person, who for the time being, shall be the registered holder of the share or by his executor or administrator.

**13. Liability of Joint-Holders of Shares**

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

**14. Who may be Registered**

Share may be registered in the name of any person, Company or other Body Corporate. Not more than '3' (three) persons shall be registered as Joint Holders of any Shares.

### **INCREASE AND REDUCTION OF CAPITAL**

**15. Power to Increase Capital**

The Company in general meeting may, from time to time, by ordinary resolution increase the share capital by the creation of new shares by such sum, to be provided into shares of such amount as may be deemed expedient.

**16. Provisions Relating to the Issue**

Before the issue of any new shares, the Company in general meeting, may make provisions as to allotment and issue of the new shares in particular may determine to whom the Shares be offered in the first instance and whether at par or premium or subject to the provisions of Section 79 of the Act at a discount. In default of any such provisions of so far as the same shall not extend, the new shares may be dealt with the provisions of these Articles.

**17. How far new Shares to rank with Existing Shares**

Any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.

**18. Reduction of Capital**

The company, may from time to time, by a special resolution, reduce in any manner and with the subject to, any incident authorised and consent required by law:

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

**ALTERATION OF SHARE CAPITAL**

**19. Power to sub-divide and consolidate Shares**

The company by ordinary resolution may from time to time:

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- (b) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum, 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.
- (c) Cancel any share which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.

**20. Rights in respect of shares on sub-division**

Where any share capital is sub-divided, the Company in general meeting, subject to the provisions of Sections 85, 87, 88 and 106 of the Act, may determine that as between the holders of the shares resulting from such sub-division, one or more of such shares shall have same rights as regards dividend, payment of capital voting or otherwise.

**21. Surrender of Shares**

Subject to the provisions of Section 100 to 105 (inclusive) of the Act, the Board may accept from any member the surrender, on such terms and conditions as shall be agreed, of all or any of his shares.

**VARIATION OF SHAREHOLDERS RIGHTS**

**22. Power to vary Rights**

If at any time the share capital is divided into different classes of shares, all or any of the

rights and privileges attached to any class (unless otherwise prohibited by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act whether or not the Company is being wound up, be modified, commuted, affected, abrogated varied or dealt with by the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at the separate meeting of the holders of the issued shares of that class. To every such separate meeting the provisions of these regulations relating to general meeting shall mutatis mutandis apply but so that necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued share of the class in question. This article is not by implication to curtail the power of modification which the Company would have if this Article was omitted. The company shall comply with provisions of Section 192 of the Act as to forwarding a copy of such agreement or resolution to the Registrar.

## **SHARE CERTIFICATES**

### **23. Issue of Certificates**

The Certificate of title to shares, shall be issued within three months after allotment and within 'One (1) month' from the date of the receipts of application for transfer (or within such other period as the conditions of the issue shall provide).

### **24. Member's Right to Certificate**

- (1) The Share Certificates shall be issued in marketable lots and where Share Certificates are issued in either more or less than marketable lots sub division or consolidation of Share Certificates into marketable lots shall be done free of charge.
- (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
- (3) In respect of any share held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to the first person named in the Register shall be sufficient delivery to all such holders.

### **25. Issue of Certificates to joint-Holders**

The certificate of shares registered in the names of two or more persons shall be delivered to the person first named in the Register.

### **26. Replacement of Share Certificates**

If any certificate be old, decrepit, worn out, torn or defaced or where the pages on its reverse for recording transfers have been fully utilised, then upon surrender thereof the company the Board shall order the same to be cancelled and issue a new certificate in lieu thereof without any payment. If any certificate be lost or destroyed, then upon proof of such loss or destruction to the satisfaction of the Board and on such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit, a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate on a fee of two rupees for each certificate or such smaller fee as the Board may determine.

## **CALLS**

### **27 Calls**

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them, respectively and 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 Board, provided that option or right to make call on shares shall not be given to any person except with the sanction of the Company in general meeting. A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed at meeting of the Board.

### **28. Restriction of Power to make Calls and Notice**

No call shall exceed one-fourth of the nominal amount of a share, be made payable at a less than one month from the date fixed for the payment of the last preceding call. Not less than one (1) month notice of any call shall be given specifying the time and place of payment and the person or persons to whom such call shall be paid. Provided that, before the time for payment of such call the Directors may, by notice in writing to the members revoke the same or extend the time for the payment thereof.

### **29. When Amount Payable**

If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the nominal amount of the share or by way of premium every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls or otherwise shall relate to such amount or installment accordingly.

### **30. When Interest on Call or Installment Payable**

If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment, the holder for the time being of the shares in respect of which the call shall have been made or the installment shall be due, shall pay interest for the time same at the rate of 12 percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such other rate as the Directors may determine. The directors may in their absolute discretion waive the payment of interest; wholly or in part in the case of any person liable to pay such call or installment.

### **31. Evidence in Action or Call**

Subject to the provisions of the law of Evidence and Procedure, on the trial or hearing of any action or suit brought by the Company against any share-holder or his representative to recover any debt or money claimed to be due, to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the Register of the Company as of holder or one of the holders, of the number of shares in respect which such claim is made and that the amount claimed is not entered as paid in the books of the Company it shall not be necessary to prove the appointment of the Director

who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

**32. Payment of Calls in Advance**

The Board may, if it thinks fit, receive from any member willing to advance the same and either the money or money's worth all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the call from then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate as determined by the Board from time to time unless the company in General Meeting shall otherwise direct. The Directors may, at any time repay the amount so advanced upon giving to such member one month's notice in writing. The member shall not, however, be entitled to any voting rights or dividend or right to participate in the profits of the Company in lieu thereof in respect of the moneys so paid by him until the same would, but for such payment become presently payable.

**33. Voting rights when Calls in Arrears**

No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

**34. Revocation of Calls**

A Call may be revoked or postponed at the discretion of the Board.

**35. Directors may Extend Time for Payment of a call**

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 on account of residence or some other cause, may be deemed fairly entitled to such extension but no member shall, as a matter of right, be entitled to such extension (save as matter of grace and favour).

**36. Every member to pay the proportion of the Capital represented by the share**

Every member, his executors or administrators shall pay to the Company the proportion of the Capital represented by his share or share which may, for the time being, remain unpaid thereon in such amount 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 for the payment thereof.

## **FORFEITURE OF SHARES**

**37. Notice for payment of Call or Installment**

If a member fails to pay any sum payable in respect of any call or any installment of a call on or before the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the said call or installment remain unpaid, serve a notice on such

member requiring payment of so much of the call or installment 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 such non-payment.

**38. Mode of Notice**

The notice aforesaid shall name a further day, not being earlier than the expiry of one (1) month from the date of service, of notice on or before which such call or payment required by the notice, is to be made and a place at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall be state that in the event of non-payment on or before the date so named the shares in respect of which sum call or installment was payable shall be liable to be forfeited.

**39. Forfeiture of Shares**

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

**40. Notice of Forfeiture**

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 and entry of the forfeiture with the date thereof shall forthwith be made in the Register of members but no forfeiture shall in any manner be invalidated by any omission or failure to give such notice or to make such entry as aforesaid.

**41. Forfeited shares to become property of the company**

Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board thinks fit.

**42. Board may Annul Forfeiture**

The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

**43. Arrears to be Paid Notwithstanding Forfeiture**

- (i) A person whose shares have been forfeited shall cease to be member in respect of forfeited shares, but shall notwithstanding forfeiture remain liable to pay and shall forth with pay to the Company all calls, installments, interest and expenses owing or in respect of such shares at the time of forfeiture, together with interest thereon from the time of forfeiture until payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture.
- (ii) The forfeiture of a share shall involve the extinction of all interest in and also for all claims and demands against the company in respect of the shares and all other rights, incidental to the share except any such of those rights as by these Articles are expressly saved.



**44. Evidence of Forfeiture**

Subject to the provisions of the law of Evidence and procedure, a duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have 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. Such declaration and the receipt of the Company for the consideration, if any given for the shares on the sale or disposition thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to such shares be effected by any irregularity of invalidity in the proceedings in reference to such forfeiture, sale or disposition.

**45. Forfeiture Provision to Apply to Non-Payment in Terms of Issue**

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

**46. Power to Issue New Certificate**

When any shares under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered.

**47. Partial payment or any indulgence shown not preclude Forfeiture**

Neither 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 the payment of any such money shall preclude the Directors from thereafter proceeding to enforce a forfeiture of such share as provided in these regulations for non-payment of the whole or any balance due in respect of the shares.

**COMPANY'S LIEN ON SHARES**

**48. Company's Lien on Shares**

"The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly) with other and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. 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 wholly or in part to be exempt from the provisions of this Clause."

**49. Enforcement of Lien by Sales**

For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made unless a sum in respect of which the lien exist is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator committee, curator bonis or other legal representative, as the case may be and default shall have been made by him or them in payment of the sum payable as aforesaid in respect of such share for fourteen days after that date of such notice.

**50. Application of Proceeds of Sales**

The net proceeds of any such sales shall be received by the Company and after payment of the cost of such sales, be applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any shall subject to like lien for sums not presently payable as existed upon the shares before the sale be paid to the person entitled to the share at the date of the sale.

**51. Validity of Sales in Exercise and After Forfeiture**

Upon any sale after forfeiture or surrender or for enforcing a lien in purported exercise of the powers herein before conferred, the Board may appoint some person to execute as instrument of transfer of the share sold and cause the purchaser's name to be entered in the Registrar in respect of the share sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money and after his name has been entered into the Register in respect of such share the validity of the sale shall not be impeached by any person on any ground whatsoever and the remedy of any person aggrieved by such sale shall be in damages only and against the Company exclusively.

**52. Board may Issue New Certificates.**

Where any share has been sold by the Board pursuant to these Articles and the certificate in respect thereof has not been delivered to the Company by former holder of such share, the Board may issue a new certificate for such share, distinguishing it in such manner as it may think fit from the certificate not so delivered. Wherein any such case the certificate in respect of the share forfeited and/or sold as not delivered and new certificate for such share has been issued, the original certificate shall be treated as cancelled and no claim or title based on such certificate shall be binding on the company.

## **TRANSFER AND TRANSMISSION**

**53. Execution of Transfer etc.**

Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument duly stamped and executed by or on behalf of the transferor and by and on behalf of the transferee and specifying the name, address and occupation of the transferee has been delivered to the company along with the certificate relating to the shares or if no such certificate is in existence along with the letter of allotment of the shares, in accordance with the provisions of Section 108 of the Act. The transferor shall be deemed to remain a member in respect of such share until the name of the transferee is entered in the Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.

**54. Application for registration of transfer**

Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of the partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

**55. Directors may refuse to register transfer**

Subject to the provisions contained in section 111 of the Act and section 22A of the Securities Contract Regulation Act, 1956, the Board may without assigning any reason for such refusal decline to register:

- (a) the transfer of a share not being a fully paid share to a person of whom it does not approve.
- (b) any transfer of shares on which the Company has a lien.  
Provided that the Registration of transfer shall not be refused on the ground of transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except a lien on the shares. If the Directors decline to register any transfer, they shall give notice of such refusal to the transferee decline to register; and the transferor or any authority as may be required in terms of section 111 of the Act or any authority constituted under Section 22A of the Securities Contract Regulation Act, 1956 as the case may be.

**56. Form of Transfer**

Every instrument of transfer of shares shall be in the form prescribed under the Act or as near thereto as the circumstances may admit and shall be in accordance with the provisions of Section 108 of the Act, from time to time.

**57. No Fee to be charged for Registration of Transfer**

No fee may be charged for registration of transfer and transmission.

No fee may be charged:-

- (a) For splitting up, sub-division and consolidation of shares and debenture certificates, and for splitting up and sub-division of Letters of Allotment and splitting consolidation, renewal into denomination corresponding to the market units of trading as per Rules of Stock Exchange concerned.
- (b) For sub-division of renunciation letters of rights.
- (c) For issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfer have been fully utilised.
- (d) For registration of any power of attorney, Probate of Will, Letters of Administration or similar other documents. Provided that in case of splitting up and/or sub-division of

shares other than the market units or trading as determined or as per prevailing rules of Stock-Exchange concerned, a fee of Rs. 20/- per share certificate may be charged.

**58. Instrument of Transfer to be Left at Office**

Every instrument of transfer shall be left at the office of the Company for registration, accompanied by the certificate of the share to be transferred or if there is no certificate the Letter of Allotment thereto and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. The Board may waive the production of any certificate upon evidence to them of its having been lost or destroyed. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

**59. Suspension of Transfers**

Subject to the provisions of Section 154 of the Act, 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 time or for more than forty-five days in the aggregate in any year.

**60. Notice of Refusal to Registration of Transfer**

If the Board refuses, whether in pursuance of Article 55 or otherwise to register the transfer of or the transmission by operation of law of the right to any share, the Company shall within 'one month' from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the company, send to transferee and the transferor or to person giving intimation of such transmission, as the case may be notice of such refusal.

**61. Persons Entitled to Shares by Transmission**

The executors or administrators of a deceased member (not being one of several joint holders) shall be the only person recognised by the Company as having any title to the shares registered in the name of such member and in case of the death of any one or more of the joint-holders of any registered shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but no thing herein contained shall be taken to release the estate of a deceased joint-holders from the executor or administrator, Board may require him to obtain a Grant of Probate or Letters of Administration or other legal representation as the case may be from some competent Court. Provided nevertheless that in any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with the production of Probate or Letters of Administration or such other Legal Representation upon such terms as to indemnity or otherwise as the Board in its absolute discretion may consider necessary.

**62. Transfer of Shares of Insane, Minor, Deceased or Bankrupt Members**

Any committee or guardian of a lunatic or infant member or any person becoming entitled to transfer share in consequence of the death or bankruptcy, insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of the title as the Board thinks sufficient may with consent of the

Board (which it shall not be under any obligation to give) be registered as a member in respect of such shares or may subject to the regulations as to transfer herein before contained, transfer, such shares. This article is herein after referred to as "The transmission Article".

**63. Rights of Persons Entitled to Shares by Reason of Death**

The Directors may retain the dividend payable upon shares to which any person becomes entitled under Article 67 until such person of his transferee shall become a member in respect of share subject to Section 205A of the Act.

**64. Election By Persons becoming entitled to shares**

- (a) If the person becoming entitled to share under Article 67 shall elect to be registered as a member in respect of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (b) If the person aforesaid shall elect to the transfer the share he shall testify his election by executing an instrument of transfer of shares.
- (c) All the limitations restrictions and provisions of these Articles relating to the right to transfer and the registration of transfer of shares, shall be applicable to any such notice or transfer as aforesaid as if the death, insanity, bankruptcy or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

A person so becoming entitled under the transmission Articles to a share by reason of the Death, lunacy bankruptcy or insolvency of a member shall, subject to the provision of the Articles or Section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he was the member registered in respect of the share.

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

**65. Company Not liable for Disregard of a notice purporting prohibit registration of Transfer**

The Company shall incur no liability or responsibility whatever in consequence of its registering or to give effect to any transfer of share or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right title or interest or notice purporting to prohibit registration of such transfer and may have entered such notice or referred thereto any book of the Company and the Company shall not be bound or required to regard or attend or give effect to notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting 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 or attend to any such notice and give effect there to if the Directors shall think fit.

**66. No Transfer to an Infant or to unsound mind**

No transfer shall be made to an infant or persons of unsound mind.

**SHARE WARRANTS TO BEARER**

**67. Issue of the Share warrants**

The company may issue warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect of any share which is fully paid-up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identification of the person signing the application and on receiving the certificates (if any) of the share and the amount of stamp duty on the warrant and such fee as the Board may from time to time require, issue share warrant.

- (1) The bearer of a share warrant may at any time deposit the warrant at the office of the company and so long as the warrant remains so deposited, the depositor shall have the same right of signing requisition for calling a meeting of the company and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of the two clear days from the time of deposit, as if his name were inserted in the Register as the holder of the shares included in the deposited warrant.
- (2) Not more than one person shall be recognised as depositor of the share warrant.
- (3) The company shall, on seven days' written notice return, the deposited share warrant to the depositor.
  - (i) Subject as herein otherwise provided, no person shall, as bearer of a share warrant sign a requisition for calling a meeting of the company or attend or vote or exercise any other privilege of a member at meeting of the company or be entitled to receive any notices from the company.
  - (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of member as the holder of the share included in the warrant and he shall be a member of the company.

The Board may, from time to time, make rules as to terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

**CONVERSION OF SHARE INTO STOCK**

**68. Conversion of Paid-up shares into stock**

The company may by ordinary resolution:-

- (a) convert any paid-up share into stock; and
- (b) reconvert any stock into paid-up shares of any denomination.

**69. Transfer of Stock**

The holders of the stock may transfer the same or any part thereof in the same manner as and subject to the same regulations, under which, the shares from which the stock, arose might before the conversion, have been transferred or as near there to 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.

**70. Powers and Rights of Stock Holders**

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 meeting 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 privileges or advantage.

**71. Regulations To apply to stock**

Such of the regulations of the company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words 'share' and 'share-holder' in these regulation shall include 'stock' and 'stock-holder' respectively.

**BORROWING POWERS**

**72. Powers to Borrow**

The Board of Directors may from time to time at their discretion raise or borrow any sum or sum of money for the purpose of the company subject to the provisions of Section 292 and 370 of the Act and may secure payment or repayment of same in such manner and upon such terms and conditions in all respects as may be prescribed by the Board in particular by the creation of any mortgage, hypothecation, pledge or charge on and over the Company's stocks, book debts and other movable properties.

**73. Conditions on which moneys may be borrowed by the directors**

The Directors may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respect as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company both present and future including its uncalled capital for the time being or by giving, accepting or endorsing on behalf of the company any promissory notes, bills of exchange or other negotiable instruments and no debenture shall carry any voting right whether generally or in respect of particular class or classes of business.

**74. Delegation of Powers**

If any uncalled capital of the company be included in or charged by any mortgage or other security, the Board may, by instrument under the company's seal, delegate the power under

Section 292 of the Act to the person in whose favour such mortgage or security is executed or any person in trust for him.

**75. Issue at Discount Etc., or with special privileges**

Any debentures, debenture-stock, bonds or other securities may be issued at a discount premium or otherwise and with any special privileges, as to redemption, surrender, drawings allotment of shares, attending at General Meeting of Company appointment of Directors and otherwise Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.

**76. Debentures**

Every debenture or other instrument issued by the Company for securing the payment of the money may be so framed that the moneys thereby secured shall be assigned free from any equities between the company and the person to whom the same may be issued. Any debentures, debenture-stock, bonds or other instruments or securities may be issued at a discount, premium or otherwise and may be issued on a condition that they shall be convertible into any shares of any denomination and with any special privileges as to redemption, surrender, drawing and allotment of share or otherwise, provided that the debentures with right to conversion into or allotment of shares shall not be issued without consent of the company in General meeting.

**77. Instrument of Transfer for Debentures**

Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the company together with the certificate of the debentures.

**78. Notice of Refusal to Register Transfer**

If the Board refuses to register the transfer of any debentures of the Company, it shall within one (1) month from the date of which the instrument of the transfer was lodged with the company, send to the transferee and to the transferor notice of the refusal.

**79. Execution of Charge or by Mortgages by Board**

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

**80. Powers to Receive Deposits**

Subject to Section 58A of the Act the Directors may receive deposits on such terms and conditions and bearing interest at such rates as they may decide and which may be made payable monthly quarterly, half-yearly or yearly subject to the notifications issued from time to time by the Department of Non-Banking Companies, Reserve Bank of India, if any.

**81. Payment of Interest on Capital**

The company may subject to the provisions of Section 208 of the Act pay interest on so



much of the share capital as is for the time being paid-up as was 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.

## **PROCEEDINGS AT GENERAL MEETING**

### **82. When Annual General Meeting to be Held**

In addition to any other meetings, a general meeting of the Company shall be held within such intervals as are specified in Section 166(1) of the Act, and subject to the provision of Section 166(2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall be called an Extra-Ordinary General Meeting.

### **83. Calling of Extra-Ordinary General Meeting**

The board may, whenever it thinks fit, call an Extra-ordinary General Meeting. If at any time the Directors capable of acting who are sufficient in number to form a quorum, are not in India the directors present in India may call an Extra-Ordinary General Meeting in the same manner and as nearly as possible as that in which such a meeting may be called by the Board.

### **84. As to omission to give Notice**

The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members or other persons entitled to receive such notice shall not invalidate any resolution passed at any such meeting.

### **85. Circulation of Members Resolution**

The company shall comply with the provisions of Section 188 of the Act, as to give notice of resolutions and circulating statements on the requisition of members.

### **86. Quorum**

No business shall be transacted at General Meeting of the company unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, *five members* present in person shall be the quorum for the meeting of the company.

### **87. Passing of Resolutions**

Any act or resolution which, under these articles or the Act is permitted or required to be done or passed by the Company in General Meeting, shall be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 189(1) of the Act unless either the Act or the Articles specifically require such act to be done or resolution to be passed by a specific majority or by special resolution as defined in Section 189(2) of the Act.

### **88. Chairman of the General Meeting**

The Chairman of the Board shall be entitled to take the chair at every General Meeting. If at any meeting the Chairman is not present within fifteen minutes after the time appointed for

holding such meeting or is unwilling to act, the Joint Chairman of the Board or Vice Chairman/ Managing Director of the Board whosoever is present shall be entitled to occupy the chair. In the event of none of the three persons being present or declining to take the chair, the member present shall choose one of their member being a member entitled to vote to be the Chairman of the meeting.

**89. Dissolution and Adjournment of General Meetings**

If within half-an-hour from the time appointed for the meeting a quorum is not present the meeting if convened upon the requisition of members shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting also a quorum is not present those members who are present not being less than two shall be a quorum and may transact the business for which the meeting was called.

**90. Votes by a Show of Hands**

- (a) Every question submitted to a meeting shall be decided, in the first instance by a show of hands and in the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote in addition to the vote to which he may be entitled as a member.
- (b) A declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minutes shall be conclusive evidence of the fact without further proof.

**91. Adjournment of the General Meeting**

The chairman of a general Meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**92. What is to be the Evidence of the Passing of a Resolution where Poll not Demanded.**

At any General Meeting unless a poll (is before or on the declaration of the result of the voting on any resolution and on the show of hands) demanded by the Chairman or by at least five members present in person or by proxy or by any member or members present in person or by proxy and having not less than one-tenth of total voting powers in respect of the resolution or by any members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all the shares conferring that right, a declaration by the Chairman that a resolution has been carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes to the proceedings of the meeting the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against the resolution.

**93. Poll**

- (a) If a poll is demanded as aforesaid it shall be taken forthwith on a question of adjournment

or election of a Chairman of the meeting.

- (b) The demand for a poll may be withdrawn at any time by the person who made the demand.
- (c) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers, at least one of whom shall be a member (not being an officer employee of the company) present at the meeting provided such a member is available and willing to be appointed, to scrutinise the votes given on the poll and to report thereon to him.
- (d) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. On poll a member entitled to more than one vote or his proxy or other persons 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.
- (e) The demand for a poll shall not prevent the meeting from transacting any business other than the business in respect of which a poll has been demanded.

## **VOTES OF MEMBERS**

### **94. Votes of members**

Subject to any right 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 as laid down in Section 87 of the Act.

### **95. Procedure where a Company is a Member of the Company**

Where a Company or body corporate (hereinafter called "Member Company") is a member of the company a person duly appointed by resolution in accordance with Section 187 of the Act to represent such member Company at a meeting of the company shall not by reason of such appointment, be deemed to be a proxy and the production at the meeting of a copy of such resolution duly signed by one Director of such member Company and certified by him as a true copy of the resolution, on production at the meeting be accepted by the company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the members Company or body-corporate which he represents, as that member-company or body-corporate could exercise if it were an individual member.

### **96. Vote by Joint-Holders**

Where there are joint registered holders of any shares any one of such persons may vote at any meeting either personally 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 either personally or by proxy than one of the said persons so present whose name stands first in the Register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this Article be deemed joint-holders thereof.

**97. Vote in Respect of Deceased Insolvent and Minor members**

Any person entitled under the Transmission Article 67 to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote, he shall satisfy the Directors or the right to transfer such shares or the Director shall have previously admitted his right to vote at such meeting in respect thereof. If any member be lunatic, idiot or non-composments, he may vote whether on a show of hands or at a poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy on a poll. If any member is a minor, the vote in respect of his share may be give by his guardian. If more than one person claim to exercise the right of vote under this clause, the Chairman of the meeting may select in his absolute discretion any one person and will accept his vote.

**98. Voting rights on Show of hands**

No member not present in person shall be entitled to vote on a show of hands, unless such member is a Company or Corporation present by proxy or by a representative duly authorised under Section 187 of the Act, in which case such proxy or representative may vote on the show of hands as if he were a member of the Company.

**99. Proxies Permitted**

On a poll, votes may be give either personally or by proxy or in the case of a Company, by a representative duly authorised as aforesaid.

**100. Appointment of Proxies**

Any member of a Company entitled to attend and vote at 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 proxy so appointed shall not have right to speak at the meeting and shall not be entitled to vote except on a poll.

**101. Instrument Appointing Proxy**

The instrument of appointing a proxy shall be in writing under the hand of the appoint or his attorney duly authorised in writing or, if such appoint or is a body corporate under its common seal or the hand of its attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called a special proxy. Any other proxy shall be called a general proxy.

**102. Proxies to be Deposited at the Office**

The instrument appointing a proxy and the Power of Authority or other authority (if any) under which it is signed or a notarial certified copy of that power or authority shall be deposited at the office not less that forty-eight hours before the time for holding the 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.

**103. When vote by proxy valid through authority revoked**

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 revocation of the instrument or transfer of the shares in respect of which the vote is given, provided that intimation in writing of the death, insanity revocation or transfer shall have been received by the Chairman at the office before the meeting. Provided nevertheless that intimation in writing of the death, insanity revoking or transfer shall have been received by the chairman at the office before the meeting. Provided nevertheless, that the chairman of any meeting shall be entitled to require such evidence as he may in his discretion thinks fit of the due execution of an instrument of proxy and that the same has not been revoked.

**104. Form of Proxy**

Every instrument appointing a special proxy shall, as nearly as circumstances admit, be in any of the forms as set out in Schedule IX to the Act.

**105. Admission on Rejection of Vote**

- (i) And objection as to the admission or rejection of a vote, on a show of hands or on a poll made in a due time shall be transferred to the Chairman of the meeting who shall forthwith determine the same and such decisions shall be final and conclusive:
- (ii) No objection shall be raised to the qualification of any voter except at meeting or adjourned meeting at which the vote object to is given or tendered and every vote not disallowed at such meeting be valid for all purposes.

**DIRECTORS**

**106. The number of Directors of the company shall not be less than three and not more than twelve inclusive of all kind of directors on the Board**

The following shall be the first directors of the company:-

- 1. Mr. Deshbir singh
- 2. Mr. A.G. Krishna Menon
- 3. Mr. Sushil Chandra Tripathi
- 4. Mr. Anil Sharma
- 5. Mr. Sushil Kumar Srivastava

**107. Subject to the approval of the Government under the provisions of Section 268 of the Act**

- (a) While any money remains due by the Company under or by virtue of any mortgage, hypothecation, pledge or otherwise or under writing agreements executed by the company in favour of the Government Centre and/or State and of the Industrial Finance Corporation of India, Industrial Credit Corporation, PICUP, Life Insurance Corporation of India or any other Corporation sponsored by the Government, Central or State and so long as the loan and or guarantee given by the said Government/Corporation is respect of financial Commitments of the company remain outstanding the said corporations shall be entitled to appoint from time to time any person or persons to be their nominees as Directors of the company. The Directors so appointed shall have the same powers and privileges as other Directors of the Company. Such Directors appointed

by the said Government/Corporation shall not be required to possess any share qualification and the provisions of Articles of Association as to retirement of Directors shall not apply to them. The said Directors shall hold office at the pleasure of the said corporation who shall have the full power to remove all or any of the Directors appointed by them under this Article and to appoint any other or others in his or their places as and when they shall deem it necessary. Such appointment or removal shall be by notice in writing to the company.

- (b) Any trust Deed for securing debenture or debenture-stocks may if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders of the debentures or debentures-stocks of some persons to the Director of the Company on the Board and may empower such trustees or holder of debentures or debentures-stocks from time to time to remove any Director so appointed. Such director shall not be liable to retire by rotation or removed by the company.

**108. Appointment of Directors of the company and proportion of those who are to retire by rotation**

Not less than two-third of total number of Company Directors 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 Act, be appointed by the company in General Meeting.

**109. Increase or Reduction in Number of Director**

The company in the General Meeting may subject to provision of the Article 116 and Section 259 of the Act by special resolution increase or reduce the number of its Directors.

**110. Power to Appoint Additional Directors**

The directors shall have powers at any time and from time to time to appoint any other person as a Director either to fill up a casual vacancy or as an additional to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any Directors so appointed shall hold office only until the conclusion of the next following Annual General Meeting of the company but shall be eligible for re-election at such Meeting.

**111. Alternate Directors**

Subject to the provision of Section 313 of the Act or any statutory modifications thereof, the Board shall have power to appoint any person to act as alternative director for a director during the latter's absence for a period of not less than three months from the state in which meetings of the directors are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Board and to attend and vote there at accordingly but he shall not require any qualification and shall 'ipso facto' vacate office if and when the absent Director returns to state in which meetings of the Board are ordinarily held or if the absent director vacates office as a director.

**112. Director need not to Hold any qualification share**

A director need not hold any share in the company in his name as his qualification, but

nevertheless shall be entitled to attend, speak and preside at general any meeting of the company and at any separate meeting of the holders of any class of shares in the company.

**113. Remuneration of Directors**

Each Director, other than the whole time Directors, who attends any meeting of the Board of Directors or of committee thereof, shall be entitled to receive sitting fee for the same notwithstanding that the same meeting was adjourned. Each director, other than the whole time Directors, who attends an adjourned meeting of the Board of Directors or a Committee thereof, shall be entitled to receive sitting fee for the adjourned meeting also, notwithstanding that he was already received the sitting fee for the original meeting which was adjourned.

**114. Expenses of Directors**

In addition to the remuneration payable to the Directors under article 113 hereof, the Directors may be paid all reasonable travelling, hotel and other expenses in attending and returning from the meetings of the Board of Directors or any Committee thereof or in connection with the business of the company.

**115. Extra Remuneration of Directors**

Subject to Sections 198, 309, 310 and 314 of the Act, if any Director or Directors being willing shall be called upon to perform extra service or to make any special exertion in going or residing outside the office for any of the purpose of the company or in giving special attention to the business of the company, the Board may remunerate such Director either by fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or substitution for any remuneration to which he may be ordinarily entitled.

**116. Directors may act notwithstanding vacancy**

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 these presents for a meeting of Board, the continuing directors or directors may act for the purpose of increasing the number of directors to that fixed for the quorum or of summoning of general meeting of the company, but for no other purpose.

**117. When office of Directors becomes Vacant**

- (1) The office of a Director shall 'ipso facto' become vacant if:
  - (a) he is found to be unsound mind by a Court of competent jurisdiction; or
  - (b) he applies to be adjudicated as an insolvent; or
  - (c) he is adjudged an insolvent; or
  - (d) he is convicted by a court, of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
  - (e) 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 for the payment of the call unless the central Government has by notification in the official Gazette, removed the disqualification incurred by such failure; or

- (f) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for continuous period of three months, whichever is the longer without obtaining leave of absence from the Board; or
  - (g) he (whether by himself or by any person for his benefit or on his account) or any firm of 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 Act; or
  - (h) he acts in contravention of Section 299 of the Act; or
  - (i) he becomes disqualified by an order of the court under Section 203 of the Act; or
  - (j) he is removed in pursuance of Section 284 of the act; or
  - (k) 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; or
  - (l) by notice in writing to the company he resigns his office, or
  - (m) any office or place of profit under the company or under any subsidiary of the company is held in contravention of the provisions of Sub-section (1) of Section 314 of the Act and by operation of that section he is deemed to vacate office.
- (2) Notwithstanding anything in clauses (c) (d) and (i) the disqualification referred in those clauses shall not take effect.
- (a) for thirty days from the date of the adjudication of sentence;
  - (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, until the expiry of seven days from the date on which such appeal or petition is disposed off; or
  - (c) where within the seven days aforesaid; any further appeal or petition is preferred; in respect of the adjudication, sentence or conviction and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

**118. A director may be director of companies promoted by the company**

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

**119. Conditions under which Directors may contract with the company**

Subject to the provisions of Section 297, 299 to 301 of the Act, a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for under-writing the subscription of any shares in or debentures of the Company not shall any such contract or arrangement entered into by or on behalf of the company with a relative of such Director or a firm in which such Director or relative is a



partner or with any other partner in such firm or with a private company of which such Director is a member or Director be void, not shall any Director so contracting or being such member so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason of such Director holding this office or of the fiduciary relation thereby established.

## **APPOINTMENT, REMOVAL AND ROTATION OF DIRECTORS**

### **120. Vacancies to be filled in Annual General Meeting**

- (a) At an Annual General Meeting at which a Director retires by rotation, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto. If the place of the retiring Director is not so filled and the meeting has not expressly resolved not to fill up 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 public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned meeting also the place of the retiring Directors is not filled up and that meeting also has not expressly resolved not to fill up 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 resolution for the reappointment of such Director has been put to the meeting and lost; or
  - (ii) the retiring Director has, by a notice in writing addressed to the company or the board, expressed his unwillingness to be so reappointed; or
  - (iii) he is not qualified or is disqualified for appointment; or
  - (iv) a resolution, whether special or ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act; or
  - (v) the proviso to sub-section (2) of section 263 of the Act is applicable to the case.

### **121. Power to remove Directors**

The company may, subject to the provisions of Section 284 of the Act by ordinary resolution of which special notice according to Section 190 of the Act has been given, remove any Director before the expiry of his period of office and may by ordinary resolution of which special notice has been given, appoint another person in his stead. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy under the provisions of Article 132.

### **122. Board may fill casual vacancies**

If the office of any Director appointed by the Company in General Meetings is vacated before his terms of office will expire, in the normal course, the resulting vacancy may be filled up by the Board at meeting of the Board but any person 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

has not been so vacated, provided that the Board shall not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 132.

**123. Rotation and retirement of Directors**

- (a) At every Annual General Meeting one-third of such Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. The retiring Director shall retain his office until dissolution of the meeting at which his successor is elected. An ex-officio Director shall not be liable to retire by rotation within the meaning of this Article.
- (b) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day those to retire shall unless they otherwise agree amongst. A retired director shall be eligible for re-election.

**124. When candidate for office of Director must give notice file consent in writing**

No person, not being a retiring Director, shall be eligible for election to the office of Director at any General Meeting unless he or some other member intending to propose him has, not less than fourteen days and not more than two months before the meeting left at the office a notice in writing duly signed, 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.

**PROCEEDING OF DIRECTORS**

**125. Meeting of Directors**

- (a) The directors may meet together for the dispatch of business and may adjourn and otherwise regulate their meetings and proceedings as they may think fit, subject to the provision of Section 285 of the Act.
- (b) The chairman, director or any Officer authorised by the directors may call a meeting of the Board of Directors.
- (c) Subject to the provisions of Sections 316, 372(5) and 336 of the Act, questions, arising at any meeting shall be decided by a majority of votes and in case of any equality of votes the Chairman shall have a second or casting vote.

**126. Notices**

- (a) Notice of every meeting of the Board or a committee thereof shall ordinarily be given in writing to every Director for the time being at his usual address.
- (b) It shall not be necessary to give notice of a meeting of Directors to any Director for the time being away from India.

**127. Quorum**

- (a) Subject to Section 287 of the Act, a quorum for the meeting of the Board of Directors 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. Provided that where any time the number of interested Directors exceed or is equal to two-thirds of the total

strengthen the number of remaining Directors, that is to say the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time.

- (b) If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the chairman shall appoint.

**128. Director May Summon Meeting**

The chairman may and on the requisition of a Director shall at any time, summon a meeting of a Board.

**129. Power to Appoint Chairman**

The Directors may choose some one of their numbers to be the Chairman and the Director so chosen shall continue as Chairman until otherwise determined by the Board. If at any meeting of the Board the Chairman be not present within five minutes after the time appointed for holding the same the Directors present shall choose some one of their number to be Chairman of such meeting.

**130. Powers of the Board Meeting**

A meeting of Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles or the Act for the time being vested in or exercisable or exercisable by the Board.

**131. Power to appoint committee and to delegate powers.**

Subject to the provisions of Section 292 of the Act, the Board may from time to time delegate any of its powers to committee consisting of such member or members of their body, managers and other officers of the Company as it may think fit and may from time to time revoke such delegation. Any committee so formed shall in exercise of the powers delegated, conform to any regulations that may from time to time be imposed upon it by the Board. The meetings and proceedings of any such committee, consisting of two or more members shall be governed by the meeting and proceedings of the Directors, so far as the same are applicable thereof and are not superseded by any regulations made by the Directors under this Clause.

**132. When Act of Directors or Committee Valid**

All acts done at any meetings of the directors or of a Committee or by any person acting as a Director, shall notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such Director or person had been duly appointed and was qualified to be a Director or a member of a Committee.

**133. Resolution without Board Meeting Valid**

Serve for the purposes of Sections 262, 292, 297, 316, 372(5) and 286 of the Act, a resolution shall be as valid and effectual as if it had been passed at a meeting of the director of the committee duly called and constituted if it is circulated in draft together with the necessary papers, if any, to all the directors or to all the members of 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 or members as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

## **POWER OF THE BOARD**

### **134. General Powers of the Company Vested in the Board**

Subject to the provisions of the Act, control of the company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as the company is authorised to exercise provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other statute or by the Memorandum of the company or by these Articles otherwise, to be exercised or done by the company in General Meeting. Provided further, that in exercising any such powers or doing any such Act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the company or in any regulations made by the company in General Meeting but no regulations, made by the Company in General Meeting shall invalidate any prior act of Director which would have been valid if that regulation had been made.

### **135. Powers to Keep Foreign Register**

The company may exercise the powers conferred on it by Sections 157 and 158 of the Act with regard to keeping of foreign Register and the Board may (subject to the provisions of these sections) make and vary such regulations as it may think fit in respect of the keeping of any such register.

### **136. Directors May pay Commission**

The Directors may at any time pay or agree to pay commission to any person in consideration of his subscribing, under writing or agreeing to subscribe or underwrite (whether absolutely or conditionally) any debentures of the company, but so that if the commission shall be paid or be payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the commission shall not exceed two and a half per cent of the face value of the debentures.

### **137. Drawings Etc. of Negotiable and other Instruments**

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

### **138. Management of Company's Affairs Aboard**

The Board may make such arrangements as may be thought fit for the management of the company's affairs aboard and may for this purpose (without prejudice to the generality of their powers) appoint legal boards, and agents and fix their remuneration and delegate to them such powers as may be deemed requisite or expedient.

### **139. Specific powers given to the Directors**

Without prejudice to the general powers conferred by the last preceeding Articles and other

powers conferred by those presents but, subject, however to Sections 292, 293, 294, 295, 297 and 314 of the Act is hereby expressly declared that the Directors shall have the following powers that is:-

**To Acquire Property**

- (1) To purchase or otherwise acquire for the company any property, rights or privileges which the company is authorised to acquire at such price and generally on such terms and conditions as they think fit.

**To Pay for Property in Kind etc.**

- (2) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the company and its uncalled capital or not so charged.

**To Secure Contract by Mortgage**

- (3) To secure fulfillment of any contracts or agreement entered into by the Company by mortgage or charge of all or any of the property of company and its uncalled capital for the time being or in such other manner as they may think fit.

**To appoint officers**

- (4) To appoint, at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and for such amounts as they think fit.

**To Give Receipts etc.**

- (5) To make and give receipts, release and other discharges for moneys payable to the company and for the claims and demands of the company.

**To appoint attorneys**

- (6) From time to time provide for the management of the affairs of the company abroad in such manner as they think fit and in particular to appoint any person to be attorneys or agents of the company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.

**To Invest moneys**

- (7) To invest and deal with any of the money of the company not immediately required for the purposes thereof upon such securities not being shares in this company in such manner as they may think fit and from time to time to vary or realise such investments.

**To Give Security by Way of Indemnity**

- (8) 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 mortgage of the company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers convenient and provisions as shall be agreed on.

**To make Bye-Laws**

- (9) From time to time to make, vary and repeal bye-laws or the regulations of the business of the Company, its officers and servants.

**To Execute Contract**

- (10) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters a fore said or otherwise for the purpose of the company.

**To Give Commission Etc.**

- (11) To give to any person employed by the company a commission on the profit of any particular business transaction or a share in the general profit of the company and such commission or share of profits shall be treated a part of the working expenses of the Company.

**To Give Allowances etc.**

- (12) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the company or his widow, children or dependents, that may appear to the directors just or proper, whether such employee, his widow, children or dependents have or have not a legal claim upon the company.

**To Create Beneficial Funds**

- (13) Before declaring any dividend to set aside such portion of the profits of the company as they may think fit, to form a fund to provide for the pension, gratuities or compensation or create a provident fund or benefit fund in such manner as the directors may deem fit.

**TO SUB-DELEGATE POWER**

- (14) Subject to provisions contained in Article 126 hereof, to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them subject, however, to the ultimate control and authority being retained by them.

**TO BORROW**

- (15) Subject to Sections 292 and 293 of the Act. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of 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.

#### **TO ESTABLISH INSTITUTIONS ETC.**

- (16) To establish, maintain, support and subscribe to any charitable, public or useful object or any institution, society or club or fund which may be for the benefit of the company or its employees or may be connected with any town or place where the company carries on its business or any object in which the Company may be interested.

#### **TO BRING TO DEFEND SUITS**

- (17) To institute, prosecute, defend, compromise, withdraw or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the company and to act on behalf of the Company in all matters relating to insolvencies or liquidators and to apply for and obtain letters of Administration with or without will annexed to the estate of persons with whom the company have dealings.

#### **TO COMPOUND CLAIM AND REFER TO ARBITRATION**

- (18) To realise, compound and allow time for the payment or satisfaction of any debts due to or by the company and any claims or demands by or against the company and to refer any claims or demands by or against the company to arbitration and observe and perform the awards.

#### **TO DRAW CHEQUES ETC.**

- (19) To determine who shall be entitled on behalf of the company to make draw, sign, accept, endorse and negotiate all such cheques, promissory notes, drafts, pay orders, bills of exchange, bills of lading and other documents of title and securities (including the Government and other promissory notes) contracts, transfer deeds and other instruments as shall be necessary in the opinion of the Directors for carrying on the business of the company.

#### **MANAGING DIRECTOR**

##### **140. Power to Appoint Managing Director**

- (1) Subject to the provisions of the Act, the directors may from time to time appoint one or more of their body to be Managing Directors of the company, for a term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and may from time to time (subject to provisions of any contract between him or them and the company) remove or dismiss him or them from office and appoint another or other on his or their place or places.

#### **WILL NOT BE SUBJECT TO RETIREMENT BY ROTATION**

- (2) Subject to the provisions of the Act, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, but subject to the provisions of any contract between him and the Company he shall be subject to the same provisions as to resignation and removal as the other Directors of the company and he shall 'ipso facto', and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any causes.

## **POWERS AND DUTIES OF MANAGING DIRECTOR**

- (3) Subject to the provisions of the Act, the directors may from time to time entrust to and confer upon a Managing Director for the time being, such of the power exercisable under these present by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions with such restriction as they think expedient and they may confer such powers, either collatorally 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. All the provisions of this Article shall also apply to whole time Directors, if appointed by the Board of Directors.

### **141. Power of general meeting to managing director**

The company in general meeting may, subject to the provisions of the Act, from time to time appoint any Director as a Managing Director of the Company and may exercise all the powers conferred by the Articles on the Directors in regard to the appointment and remuneration of Managing Director.

### **142. Compensation for Loss of office**

Subject to the provisions contained in Sections 318 and 319 of the Act., the company shall make payment to a Managing Director, by way of compensation for loss of office or as compensation for retirement from such office or in connection with such loss or retirement from office, except in the cases specified in Section 318(3) and such payment shall be subject to the 'Limit specified in Section 318(4) of the Act."

### **143. Managing Director not to exercise certain powers**

The managing Director or Managing Directors shall not exercise the powers to:-

- (a) make calls on shareholders in respect of moneys unpaid on the shares in the company;
- (b) issue debentures; and
- (c) except as may be delegated by the Board under section 292 of the Act invest the funds of the company or make loans and borrow moneys.

### **143(A) Notwithstanding anything contained in these articles, any terms and conditions stipulated in any agreement entered between PICUP and HIL providing for (a) the manner of parting with or transfer of their shareholding or any part thereof in the company and (b) the composition of Board of Directors and Management of the company shall hold good and be binding on the company. Further PICUP will sell its equity shareholding after the Commencement of production to HIL in accordance with the provisions made in the agreement between PICUP and HIL.**

## **MINUTES**

### **144. Minutes of Proceedings of General Meeting and of Board of Other Meetings**

The company shall cause minutes of all proceedings of every general meetings and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be entered in the books to be kept as may be required by the Act.



#### **145(A) Minutes to be evidence**

- (a) Any such minutes of proceedings of a meeting of the Board or a Committee thereof if purporting to be signed by the chairman of the meeting at which the proceedings take place or by the Chairman of the next succeeding meeting shall be the evidence of the proceedings.
- (b) The minutes of the proceedings of a general meeting shall be signed by the chairman of the same meeting within the 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.

#### **145(B) Presumption to be drawn when minutes duly drawn and signed**

Where minutes of the proceedings of any general meeting of the company or of any meeting of the board or of a Committee of Director have been made and signed in accordance with the provisions of the Act, then, until the contrary is proved, the meeting shall be deemed to have been duly called and held and all proceedings of Directors or Liquidators made at the meeting shall be valid.

#### **145(C) Inspection of Minutes Books of General Meeting and Copies**

1. The books containing the minutes of the proceedings of the general meeting of the company shall kept at the Registered Office of the Company and shall be open to inspection of members without charge between the hours of 1 P.M. and 3 P.M. during business hours on each working day except a Saturday.
2. Any member of the Company shall be entitled to be furnished, within the period prescribed by the Act after he has made a request in writing in that behalf to the company, with a copy of any minutes, referred to in Sub-Clause (1) hereof, on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copies.

### **SEAL**

#### **146. The seal and its Custody**

The board shall provide for the safe custody of the seal which shall not be used except by the authority of a resolution of the Board and every instrument to which the seal shall be affixed shall be signed at least by two Directors or by a Directors or by a Director and some other person appointed by the Board for this purposes. Provided nevertheless that any instrument bearing the seal of the company and issue for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority of the Board to issue the same.

### **DIVIDENDS**

#### **147. How profits shall be divisible**

The profits of the company which shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of dividend on the Shares of the

company, but so that partly paid-Equity shares only entitle the members in respect thereof to such a proportion of the distribution upon a fully paid-up shares as the amount paid thereon bears to the nominal amount on such share and so that the share capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

**148. Declaration of dividend**

The company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

**149. Amount of dividend**

No larger dividend shall be declared than that recommended by the board, but/the company in general meeting may declare a smaller dividend.

**150. Dividend out of profits only**

No dividend shall be payable except out of the profits of the company or out of money provided by the Central or State Government for the payment of dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the company.

**151. What to be Deemed to be net profits**

The declaration of the Board as to the amount of net profits of the company shall be conclusive.

**152. Interim dividends**

The board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the company.

**153. Dividend and Call Together**

Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so arranged between the Company and the member, be set off against the call. The making of a call under this Article shall be deemed ordinary business of an annual general meeting which declares dividend.

**154. Effect of Transfer**

A transfer of share shall not pass the right to any dividend declared thereto before registration of the transfer by the company.

**155. Retaining of dividend under transmission circle**

The directors may retain any dividend on which the company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagement in respect of which the lien exists.

**156. Act**

The Directors may retain the dividends payable upon shares in respect of which any person under the Transmission Article entitled to become a member or which any person under that

Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.

**157. Joint holders**

Any one of several persons who are members registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such shares.

**158. Notice of any dividend**

Notice of any dividend, whether interim or otherwise, shall be given to the person entitled to share therein the manner hereinafter provided.

**159. Payment by Post**

Unless otherwise directed in accordance with Section 206 of the Act, any dividend may be paid by cheque or warrant sent though the post to the registered address of the member or person entitled thereto or in the case joint holders to the registered address of that one whose name stands first on the register in respect of the joint holding or to such person and at such address as the member or person entitled or sub-joint-holders as the case may be, direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or person entitled to such joint holders as the case may be, may direct. Provided, however, that the dividend warrants shall be payable at par at all centers having recognized Stock Exchanges and shall be sent through Registered Post.

**160. Unclaimed dividends**

No unclaimed dividend shall be forfeited by the Board and all unclaimed and unpaid dividends shall be dealt with as per Section 205 of the Act.

**161. Directors to keep true Accounts**

The company shall keep at the office or at such other place in India as the board may think fit, proper books of Account in accordance with Section 209 of the Act.

**162. As to Inspection of account or Books by Members**

The board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of Members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board.

**163. Statement of Accounts to the Furnished to General Meeting**

The Directors shall from time to time, in accordance with Sections 210, 211, 212, 216, 215 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits and Loss Accounts and Reports as are required by these sections.

**164. Copies shall be sent to each Member**

A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors Report

and every other document required by law to be annexed to the Balance-Sheet) which is to be laid before the company in General Meeting and shall be made available for inspection at the Registered Office of the company during working hours for a period of Twenty one days before the date of the meeting. A statement showing the salient features of such documents in the prescribed form will be sent to every member of the company not less than twenty one days before the date of the meeting as laid down under the companies Act, 1956.

#### **165. First Auditor or Auditors**

The first Auditor or Auditors of the company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the company and whose nomination notice has been given to the Member of the Company not less than fourteen days before the date of the Meeting provided further that if the Board fails to exercise its power under this Article, the company in General Meeting may appoint the First Auditor or Auditors.

### **WINDING-UP**

#### **166. Distribution of Assets**

Upon the winding up of the company, the holders of equity shares shall be entitled to be repaid the amount of capital paid-up or credited as paid-up on such shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid-up credited as paid-up on such equity shares respectively, at the commencement of the winding-up. If the assets shall be insufficient to pay the whole of the paid-up equity capital such assets shall be insufficient to repay the whole of the paid-up equity capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members holding equity shares in proportion to the capital paid-up on which ought to have been paid-up on the equity shares held by them respectively at the commencement of the winding-up other than amounts paid by them in advance of calls.

#### **167. Liquidator may divide Assets in Specie**

The liquidator on any winding-up (whether voluntary under supervision or compulsory) may, with the sanction of a Special Resolution, divide among the contributories in specie any part of the assets of the company and may with the like sanction vest any part of the assets of the company to trustees upon such trusts for the benefits of the contribution as the Liquidator with the like sanction shall think fit.

#### **168. Reconstruction**

On any sale of the whole or any part of the undertaking of the company, the Board or the liquidators on a winding-up may, if authorised by special resolution, accept fully paid or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not either than existing or to be formed for the purpose in the whole or in the part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them any Special

Resolution may provide for the distribution or appropriation of cash, shares or other securities benefits or property, otherwise than in accordance with the strict legal rights of the member contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall subject to the provisions of Section 395 of the Act be bound to accept and shall be bound valuation or distribution so authorised and waive all rights in relation thereto save only in case the Company is proposed to be or is in course of being wound up and subject to the provision of Section 494 of the Act as are incapable of being varied or excluded by these Articles.

## **INDEMNITY AND RESPONSIBILITY**

### **169. Indemnity**

Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified against and it shall be the duty of the Directors to pay out of the funds of the Company all costs, losses and expenses (including travelling expenses) which any such Directors, Manager or Secretary or other officer or employee may incur or become liable to by reason of any contract entered into or in any way in the discharge of his or their duties and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him or them as such Director, Manager, Secretary, Officer or employee in defending any proceedings whether Civil or Criminal, in which judgement is given in his their favour or he or they is or are acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

## **SECRECY CLAUSE**

### **170. Secrecy clause**

- (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transaction and affairs of the company with the customers and the state of the accounts with individuals and in matter relating thereto and 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 Directors or by law or by person to whom such matters relate and except so far as may be necessary in order to comply with any of provisions in these presents contained.
- (b) No member shall entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the company and which, in the opinion of the Directors, it would be inexpedient in the interest of the company to disclose.

Names, description occupation and addresses of each subscriber	Signature of Subscribers	Name addresses. description of witness or witnesses
<b>DESHBIR SINGH</b> Managing Director S/o Late. S. Harbans Singh R/o C-100 Maharani Bagh New Delhi For and on behalf of Harig India Limited C-100 Maharani Bagh, New Delhi.	Sd/-	Sd/- <b>SUSHIL KUMAR</b> A-75 Vivek Vihar, Delhi Commercial Manager Harig India Ltd., New Delhi.
<b>DESHBIR SINGH</b> S/o Late S. Harbans Singh R/o C-100 Maharani Bagh New Delhi (Managing Director Harig India Limited)	Sd/-	
<b>SUSHIL CHANDRA TRIPATHI</b> S/o Sh. Harish Chandra Pati Tripathi R/o A-19 Picup Colony, Jopling Road, Lucknow. Managing Director For and on behalf of The Pradeshiya Industrial & Investment Corporation of UP Ltd. Jawahar Bhawan Annexe, Ashok Marg, Lucknow	Sd/-	Sd/- <b>ASHOK KUMAR SHARMA</b> A-21 Picup Colony, Lajpat Rai Marg Lucknow (Service)
<b>SUSHIL CHANDRA TRIPATHI</b> S/o Sh. Harish Chandra Pati Tripathi R/o A-19 Picup Colony, Jopling Road, Lucknow. (Government Service)	Sd/-	-do-
<b>SUSHIL KUMAR SRIVASTAVA</b> S/o Sh. M.P. Srivastava A-8 Picup Colony, Lucknow (Government Service)	Sd/-	-do-
<b>ANIL KUMAR SHARMA</b> S/o Sh. Hari Prasad 14 Jahanghirabad Mansion Hazratganj, Lucknow (Service)	Sd/-	-do-
<b>MANJU DESHBIR SINGH</b> W/o Sardar Deshbir Singh C-100 Maharani Bagh, Southern Avenue New Delhi- 100 065) (Insurance Agent)	Sd/-	Sd/- Sushil Kumar A-75 Vivek Vihar Delhi (Commercial Manager Harig India Ltd., New Delhi).

Place: New Delhi Dated the 28th March, 1983.