

The New set of Articles of Association was adopted by the members by Passing a special resolution at the Extra Ordinary General Meeting held on 4th January'95.

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

1.

In these regulations unless the context requires otherwise:

Interpretation
- (a)

"the Company" or 'this Company' means DYNAMIC MICROSTEPPERS LIMITED.
- (b)

'the Act' means the Companies Act, 1956, and every statutory modification or re-enactment thereof and references to Sections of the Act shall be deemed to mean and include references to Sections enacted in modification or replacement thereof.
- (c)

"these regulations" means these Articles of Association as originally framed or as altered from time to time.
- (d)

'the Office" means the Registered Office for the time being of the Company.
- (e)

" the Seal" means the Common Seal of the Company.
- (f)

words importing the singular shall include the plural and vice versa, words importing the masculine gender shall include the feminine, gender and words importing persons shall include bodies corporate and all other persons recognised by law as such.
- (g)

"month" and "year" means a calendar month and a calendar year respectively.
- (h)

Expressions referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.
2.

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

Table 'A'  
Excluded

The regulations contained in Table 'A' in the First Schedule to the Companies Act, 1956 shall not apply to the Company and the regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the Company and its members as if they **are** the terms of an agreement between them.

### SHARE CAPITAL AND VARIATION OF RIGHTS

Authorised Share Capital	3.	The Authorised Share Capital of the Company is Rs.5,00,00,000/- (Rupees Five Crores only) divided 50,00,000 (Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each.	
Power to issue Preference Shares	4.	Subject to the provisions of Section 80, any Preference Shares, may with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may be determine.	
Shares under control of Directors	5.	Subject to the provisions of these Articles or the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any persons the option to call for or be allotted shares of the Company of any class, either at a premium or at par or at a discount and for such time and for such consideration as the Directors think fit (subject to the provisions of Section 78 and 79 of the Act) provided that option or right to call for shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the return as to allotment provided for in Section 75 of the Act.	
Acceptance of Share	6.	Any application signed by or on behalf of an applicant for share in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles, and every person who thus or otherwise accepts any share and whose name is on the register shall, for the purposes of the Article, be a member.	
Alteration of Rights attached to any class of Shares	7.	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with sanction of a special resolution passed at a separate meeting the holders of the shares of that class.	
Provisions relating to general meeting how far applicable to meetings of different classes of share holders	8.	(1)	Subject to the provisions of Section 170(2) (a) and (b) of the Act, to every such separate general meeting, the provisions of these regulations relating to meetings shall mutatis mutandis apply, but that the necessary quorum shall be five person least holding or representing by proxy one third of the issued shares of the class in question.



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

9. [1] The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate per cent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section. Payment of Commission and brokerage

- [2] The rate of the commission shall not exceed the rate of five per cent, of the price at which the shares in respect whereof the same is paid are issued or an amount equal to five per cent, of such price, as the case may be and in the case of debentures two and half per cent of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to two and a half per cent of such price, as the case may be.

- [3] The Commission may be satisfied by payment in cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

- [4] The Company may also on any issue of shares, pay such, brokerage as may be lawful.

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

11. [1] Every person whose name is entered as a member in the register of members shall be entitled to receive within three months after allotment (or within such other period as the conditions of issue shall provide), or within two months after the application for the transfer of registration is received by the Company :- Members entitled to share certificate

- (a) one certificate for all his shares without payment, or

- (b) if the Board so approves, to several certificates, each for one or more of his shares, upon payment of two rupees for every certificate after the first. Provided that any sub-division, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.

Certificate  
to be issued

- [2] Every certificate shall be issued under the seal of the Company and shall specify the shares to which it relates and the amount paid up thereon.

Issue of share  
certificates  
in case of  
joint  
holders

- [3] In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

Fresh  
Certificate  
in case of  
loss of  
original  
certificate

12. If a share certificate is torn, defaced, lost or destroyed, it may be renewed or a fresh certificate may be issued on payment of such fee, if any, not exceeding two rupees, and on such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Directors think fit, provided that while issuing a share certificate in such cases the Company shall comply with the Companies (issue of Share Certificate) Rules, 1960.

Fractional  
Certificates

13. The Company may issue such fractional certificates as the Board may approve in respect of any of the Shares of the Company on such terms as the Board think fit as to the period within which the fractional certificates are to be converted into share certificates.

First named  
joint holder  
deemed sole  
holder

14. If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends, the service of notices, and subject to the provisions of these Articles, all or any other matter connected with the Company, except the issue of shares certificates, voting at meetings and the transfer of the share be deemed the sole holder thereof.

#### L I E N

Nature and  
extent of  
Company's lien

- 15 (1) The Company shall have a first and paramount lien.

Lien on share  
for moneys  
called or  
payable

- (a) On every share (not being fully paid share), for all moneys whether presently payable or not) called, or payable at a fixed time in respect of that share; and



- (b) On all shares (not being fully paid shares) standing registered in the name of a single person, for all moneys, presently payable by him or his estate to the Company. Provided that the Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause. Lien on all shares for moneys presently payable
- [2] The Company's lien, if any, on a share shall extend to all dividends payable thereon. Lien on dividends
16. The Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien. Provided that no sale shall be made : Power of sales of shares on which there is a lien.
- (a) Unless a sum in respect of which the lien exists is presently payable ; or No sale unless sum presently payable
- (b) Until the expiration of fourteen days after a notice in writing demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency and stating that if the amount so demanded is not paid within the period specified at the Registered Office of the Company the said shares shall be sold. Period after which rule to be effected in the case of registered holders
- 17 [1] To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. Transfer of the shares subject to lien
- [2] The purchaser shall be registered as the share holder of the shares comprised in any such transfer. Purchaser to be registered as shareholder
- [3] The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale. Purchaser's title unaffected
18. [1] The proceeds of the sale shall be received by the Company and applied in payment of the whole or a part of the amount in respect of which the lien exists as is presently payable. Application or proceeds of sale
- [2] The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the person entitled to the shares at the date of sale. Excess of sale proceeds to be paid to shareholder



## CALLS ON SHARES

19. [1] The Board may, from time to time, make calls upon the members in respect of moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- Calls and restrictions thereon
- Provided that no call shall exceed one fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceeding call.
- [2] Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment of the call money, pay to the Company at the time or times and place so specified, the amount called on his shares.
- Notice of calls
- [3] A call may be revoked or postponed at the discretion of the Board.
- Revocation and postponement of call
20. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed. Call money may be required to be paid by instalments.
- When call deemed to be made
21. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- Liability of joint holders
22. [1] If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate of interest as the Board may determine. Subject to a maximum rate of five per cent.
- Interest payable on call if not paid in time.
- [2] The Board shall be a liberty to waive payment of any such interest wholly or in part.
- Power of the Board to waive payment of interest
23. [1] Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- Sums payable on allotment deemed to be calls
- [2] In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- Effect of non-payment



24. Subject to provisions of Section 92 of the Act, the Board

- (a) May, if it thinks fit, receive from any member willing to advance all or any part of the moneys uncalled and unpaid upon any shares held by him; and Power to accept unpaid share Capital although not called up
- (b) Upon all or any of the moneys so advanced, may (until the same would but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, six per cent per annum as may be agreed upon between the Board and the member paying the sum in advance.

25. On the trial or hearing of any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of Members of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at the Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. Evidence in suit by Company

26. 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 Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided. Partial payment not to preclude forfeiture

#### TRANSFER AND TRANSMISSION OF SHARES

27. The Company shall keep a Register of Transfer, and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share. Register of Transfer

- 28. [1] The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and the transferee. Who are to execute transfer
- [2] The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. When the transferee is deemed to be holder of shares



Form  
of  
Transfer

29. Shares in the Company shall be transfereed in Form No.7B set forth in Annexure "A" to the Companies (Central Government's) General Rules and Forms 1956, or in a form as near thereto as circumstances admit.

Who may be  
registered

30. Shares may be registered in the name of any person, Company or other body corporate. Not more than three persons shall be registered jointly as members in respect of any share.

#### TRANSFER OF SHARES

In what cases  
the Board may  
decline to  
register  
transfer

31. Subject to the provision of Section 111 of the Act, the Board, may, within two months from the date on which the instrument of transfer was deliver to the Company, refuse to register:

- [a] the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- [b] any transfer of shares on which the Company has a lien.

Requirements  
of instrument  
of transfer

32. The Board may also decline to recognise any instruments of transfer unless -

- (a) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (b) the instrument of transfer is in respect of only one class of shares.

Suspension  
of registration  
of transfers

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

Fees for  
registration  
of other  
documents

34. The Company shall be entitled to charge a fee not exceeding two rupees on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument.

Notice of  
refusal to  
register  
transfer

35. If the Board refuses to register the transfer of or the transmission by operation of law of the right to any share, the Company shall within two months 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 the transferee and the transferor or the person giving intimation of such transmission as the case may be notice of the refusal.



36. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board decline to register shall (except in any of fraud) be returned to the person depositing the same.

Registered instrument of transfer to be in the custody of the Company

#### TRANSMISSION OF SHARES

37. [1] On the death of a member, the survivor or survivors where the member was a joint-holder, and his legal representatives where he was a sole holders shall be the only person recognised by the Company as having any title to his interest in the shares.
- [2] Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Survivorship and succession

38. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share and that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

Rights in respect of shares subject to transmission

39. The Company shall incur no liability whatever in consequence of its registering or giving effect, to any transfer of shares made or purporting to be made by an apparent legal owner thereof (as shown) or appearing in the Register of members) to the prejudice of 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 prohibiting such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard to attend or give effect to any notice which may be given to it or any equitable right, title or interest or be under any liability whatsoever or refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company, though not bound to do so, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Company to disregard prohibitory notices

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

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

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

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

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

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

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



## FORFEITURE OF SHARES

42. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call of instalment 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. Notice  
for calls  
unpaid
43. The Notice aforesaid shall : Form of Notice  
date of  
payment
- (a) Name a further day (not earlier than the expiry of fourteen days from the date of service of notice) on or before which the payment required by the notice is to be made; and
- (b) State that, in the event of non-payment on or before the day named, the shares in respect of which the call was made, will be liable to be forfeited. Effect of  
non-payment
44. If, the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares. Forfeiture  
for  
non-payment
45. (1) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. Disposal of  
forfeited  
shares
- (2) At any time before a sale or disposal as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit. Power to  
cancel  
forfeiture
46. (1) A person whose shares have been forfeited shall cease to be a member in respect to the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date on forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon from the time of forfeiture until payment at the such rate as prescribed by the Act from time to time. Liability on  
forfeiture



Liability  
when ceases

- (2) The liability of such person shall cease if and when the Company shall have received payments in full of all such moneys in respect of the shares.

Declaration of  
forfeiture of  
share to be  
conclusive  
evidence

- (1) A duly verified declaration in writing that the declarant is a Director or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

Company to  
transfer shares  
on disposal

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

Transferee  
registered as  
holder

- (3) The transferee shall thereupon be registered as the holder of the shares.

Transferee's  
title  
unaffected

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

Application of  
forfeiture  
provisions  
to sums  
payable  
otherwise  
than on calls

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

Effect of  
forfeiture

49. The forfeiture of a share shall involve the extinction of all interest in as also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of these rights as by these Articles are expressly saved.

Validity of  
sale under  
these  
Articles

50. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an Instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.



51. Upon any sale, allotment or disposal under the provisions of these Articles relating to lien or to forfeiture, the certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting members) stand cancelled and become null and void and of no effect, when any shares, under the powers in that behalf therein contained are sold by the Board and the Certificate in respect thereof has not been delivered up to the company by the former holder of such shares the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.

Cancellation  
of share  
certificate  
on sale

52. The Directors may, subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

Surrender  
of shares

#### CONVERSION OF SHARES INTO STOCK

53. The Company, by ordinary resolution :

Conversion  
into stock and  
reconversion  
into shares

(a) Convert any paid up shares into stock; and

(b) reconvert any stock into paid up shares of any denomination authorised by these regulations.

54. The holders of stock may transfer the same or part thereof in the same manner, as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; Provided that Board may from time to time, fix the minimum amount of stock transferable, so however that the such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Transferability  
of stock

55. 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 and meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Rights of  
stock  
holders

56. Such of the regulation 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 holders" in those regulations shall include "stock" and "Stock holders" respectively.

Stocks  
treated as  
shares



## SHARE WARRANTS

Issue of  
share  
warrants

57. The Company may issue share 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 to 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 identity of the person signing the application, and on receiving the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

Deposit of  
warrants for  
exercise of  
voting rights

58. (1) The bearer of 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 a 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 two clear days from the time of deposit, as if his name were inserted in the register of members 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 two days' written notice, return the deposited share warrant to the depositor.

Other rights  
of warrant  
bearers

59. (1) Subject as herein otherwise expressly 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 a meeting of the Company, or be entitled to receive any notices from the Company.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be deemed to be a member of this Company in respect thereof.

Issue of  
duplicate  
warrants

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



## ALTERATION OF CAPITAL

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

Increase of  
capital

62. Except as otherwise provided by or pursuant to these resolutions or by the conditions of issue any new shares shall be equity and/or preference shares, and shall be subject to the provisions of these regulations with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise.

New shares  
to be equity/  
preference  
shares

63. The company may, by ordinary resolution.

Consolidation  
and division  
of shares

(a) consolidate, and divide all or any of its capital into shares or 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 passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Cancellation  
of shares

64. The company may from time to time, by special resolution and on compliance with the provisions of Section 100 of the Act, reduce its share capital and any capital reserve fund or share premium account.

Reduction  
of share  
capital

## POWERS OF THE COMPANY

65. The Objects for which the Company is established have been set out in its Memorandum of Association and the Company is fully authorised and empowered to enter into and execute such agreements, contracts, deeds, conveyances and other documents which are or may be deemed necessary or expedient for carrying into effect the said objects or any one of them.

To carry  
out  
objects

66. The Company shall have power to establish Branch Offices subject to the provisions of Section 8 of the Act or any statutory modifications thereof.

Power to  
establish  
branch offices

Payment of  
interest out  
of capital

67. The Company shall have power to pay interest out of its capital on so much of shares which were 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 for the company in accordance with the provisions of Section 208 of the Act.

Amalgamation  
on re-  
construction

68. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate subject however to the provisions of Section 391 to 394 of the Act.

#### GENERAL MEETING

Extra-ordinary  
General  
Meeting

69. All General Meetings other than the Annual General Meetings of the Company shall be called Extraordinary General Meetings.

Who may call  
Extraordinary  
General Meetings

- (1) The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
- (2) If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, to that in which such a meeting may be called by the Board.

#### CONDUCT OF GENERAL MEETINGS

Only business  
stated to be  
transacted

70. No General Meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.

Quorum needed  
and the number  
to form  
a quorum

71. (1) No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meetings proceeds to business.
- (2) Save as otherwise provided in Section 174 of the Act, a minimum of five members present in person shall be the quorum. A body corporate, being a member, shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

#### CONDUCT OF MEETINGS

Chairman of  
the Board  
to preside

72. The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company.



73. If there is no such Chairman, or if he is not present within fifteen minutes of the time appointed for holding the meeting, or is unwilling to act as Chairman of the Meeting, the Directors present shall elect one of their number to be the Chairman of the meeting. When Directors elect Chairman
74. If at any meeting no Director is willing to act as Chairman or if no Director is present within 15 minutes of the time appointed for holding the meeting, the members present shall choose one of their member to be the Chairman of the meeting. When members elect Chairman
75. No business shall be discussed at any general meeting except after the election of a Chairman, whilst the Chair is vacant. Business whilst chair vacant
76. (1) The Chairman may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and place to place. Chairman's power and duty to adjourn the meeting
- (2) No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place. Nature of business at adjourned meeting
- (3) When a meeting is adjourned for thirty days or more, fresh notice of the adjourned meeting shall be given as in the case of an original meeting. Fresh notice required if adjourned for 30 days or more
- (4) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting. Saving Clause
- 77.. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote. Casting Vote by Chairman
78. At any General Meeting a resolution put to vote of the meeting shall be decided on a show of hands unless before or on the declaration of the results of the voting on a show of hands poll may be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company. Other Business to be transacted
- i. Which confer power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution or.
  - ii. On which an aggregate sum of not less than fifty thousand rupees has been paid up.

- iii. Unless a poll is demanded, a declaration by 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 book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the vote recorded in the favour of or against the resolution.
- iv. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

#### VOTES OF MEMBERS

- |  |  |
|--|--|
| Votes  | <p>79. Subject to any rights or restrictions for the time being attached to any class or classes of shares.</p> <ul style="list-style-type: none"> <li>(a) on a show of hands, every member present in person shall have <del>one</del> vote; and</li> <li>(b) on a poll, the voting rights of members shall be as laid down in Section 87.</li> </ul>   |
| Joint Holders                                      | <p>80. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For the purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of members.</p>   |
| Votes in respect of insane members                 | <p>81. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his Committee or other legal guardian, and any such committee or guardian may on a poll vote by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such persons claims to vote.</p> |
| Members in arrears not to vote                     | <p>82. No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the company, or in respect of shares on which the Company has exercised any right or lien, have been paid.</p>   |
| Qualification of voter objection when to be raised | <p>83. (1) No objection shall be raised to the qualification of any voter, except the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p>  |



- (2) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.

84. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument purposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of poll; and in default the instrument of proxy shall not be treated as valid.

Deposit of  
proxies

85. An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or in a form as near thereto as circumstances admit.

Form of  
Proxy

86. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, if no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Continuance of  
the validity  
of proxy  
inspite of  
death, etc. of  
principal if  
no notice  
is given

#### BOARD OF DIRECTORS

87. The number of Directors of the Company shall not be less than three and untill otherwise determined by the Company in General Meeting, by means of a special resolution, it shall not be more than twelve.

Number of  
Directors

88. The following are the first Directors of the Company.

First  
Directors

1. SHRI BHARAT C. PATADIA
2. SHRI BHALCHANDRA S. SHAH
3. SHRI KAMAL O. SOMAIYA

89. At every Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 255 of the Act, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office in accordance with the provisions of Section 256 of the Act.

Retirement  
of Directors  
by rotation

Remuneration  
of Directors

90. (1) The fees payable to a Director for attending a meeting of the Board or Committee shall be such sum as may be determined by the Board from time to time within the ceiling prescribed under the Companies Act, 1956.
- (2) Subject to the provisions of Sections 309 and 310 of the Act the Directors shall be paid such further remuneration, whether in the form of monthly payment or otherwise, as the Company in General Meeting may, from time to time, determine; and such further remuneration shall be divided among the Directors in such proportion and in such manner the Board may from time to time determine, and in default of such determination, shall be divided amongst the Directors equally.
- (3) The remuneration of the Directors shall in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- (4) Subject to the provisions of Section 198, 309 and 310 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or otherwise any may allow such Director at the cost and expense of the Company such facilities or amenities (i.e. rent free house, free medical aid, free conveyance, etc) as the Board may determine from time to time.
- (5) In addition to the remuneration payable to them in pursuance of the Act, the Director may be paid in accordance with the Company's rules to be made by the Board, all travelling, hotel and other expenses properly incurred by them.
- (a) in attending and returning from meetings or adjourned meeting of the Board of Directors or any committee or general meetings of the Company thereof; or
- (b) in connection with the business of the Company.

Share  
Qualification  
for Directors  
whether required  
or not

91. A Director shall not be required to acquire any qualification shares but nevertheless shall be entitled to attend and speak at any General Meeting of the Company at any separate meeting of the holders of any class of shares in the Company.



92. The Board of Directors shall have power to appoint additional Directors in accordance with the provisions of Section 260 of the Act.

Additional  
Directors  
to be appoint  
by the Board.

93. No person not being a retiring Director shall be eligible for re-election to the office of Director at any General Meeting unless he or some other member intending to propose him has, atleast 14 days before the meeting left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director or the intention of each member to propose him as a Director for the office of the Director as the case may be along a deposit of five hundred rupees which shall be returned to such person or as the case may be, to such member, if the person succeeds in getting selected as a Director.

Nomination of  
Directors

94. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company in case of any and every such issue of debentures, the persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a debenture Director. A debenture Director may be removed from Office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.

Debenture  
Directors

95. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Companies to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), Gujarat Industrial and Investment Corporation Limited (GIIC) and Gujarat State Financial Corporation (GSFC) or to any other Finance Corporations or Credit Corporations or another State Finance Corporation (SFCs), or State Industrial Investment Corporation (SIICs) to any other Financing Company or body or any Bank whether Indian or Foreign out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, GIC, GSFC, SIDBI, SFCs, SIICs and Unit Trust of India (UTI) or Small Industries Development Bank of India (SIDBI) or any other Financing Corporation or Credit Corporation or any other Finance Company or Body or Bank (each of which IDBI, IFCI, ICICI, LIC, GIIC, GSFC, SIDBI, SFCs, SIICs, and UTI or any other Finance Corporation or Credit Corporation or any other Finance Company or Body or Bank is hereinafter in this article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of guarantee furnished by the Corporation on behalf of the Company remains

Special  
Directors



outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, whole time or non-whole-time, (which Director or Director is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or as long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the money owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold Debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as Whole-time Director/s such Nominee Director/s shall



exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a Whole-time Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

96. Subject to the provisions of Section 313 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.

Alternate Directors to be appointed by Board.

97. A Director may be or become a Director of any Company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company. Such Director before receiving or enjoying such benefits in case in which the provisions of Section 314 of the Act are attracted will ensure that same have been complied with.

Director of Companies promoted by the Companies

98. Every nomination, appointment or removal of a Special Director shall be in writing and shall in the case of a government or authority be under the hand of a secretary to such government or authority and in the case of a corporation under the hand of a Director of such corporation duly authorised in that behalf by resolution of its Board of Directors. Subject as aforesaid a Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

Special Directors form of appointment etc.

99. (1) The Office of Director shall become vacant on the happening of any of the events provided for in Section 283 of the Act.

Vacation and termination of office of Director.

(2) On contravention of the provisions of Section 314 of the Act, or any statutory modifications thereof;

(3) If a person is a Director of more than twenty Companies at a time;

(4) On resignation of his office by notice in writing.

100. Every Director present at any meeting of the Board or a committee thereof shall sign his name in a book to be kept for that purpose.

Attendance of Directors.

#### POWERS OF BOARD OF DIRECTORS

101. The Board may pay all expenses incurred in the formation, setting up and registering the Company.

Payment of initial expenses.

102. The Company may exercise the powers conferred by Section 50 of the Act with regard to having an official Seal for use abroad and such powers shall be vested in the Board.

Seal for use abroad



Maintenance of  
Foreign  
Registers.

103. The Company may exercise the powers conferred by Section 157 and 158 of the Act, with regard to keeping of a foreign register and the Board may (subject to the provisions of those sections) make and vary such regulations as it may think fit respecting the keeping of any such register.

Contracts  
in which  
any Director  
is interested

104. The Directors may enter into contracts or arrangements on behalf of the Company, subject to the necessary disclosures required by the Act being made wherever any Director is in anyway, whether directly or indirectly concerned or interested in the contract or arrangement.

#### BORROWING POWER

Power to  
borrow.

105. Subject to the provisions of these Articles and of the Act, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debts, liability or obligation of the Company or of any third party.

The payment  
or repayment  
of moneys  
borrowed

106. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by circulation) by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

Terms of  
issue of  
debentures

107. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, may be made assignable free from any equities between the Company and person to whom the same may be issued and may be issued on the condition that they shall be convertible into shares of any authorised denomination, and with privileges, and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

Execution of  
negotiable  
instrument  
etc.

108. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person (including any firm or body corporate) whether in the employment of the Company or not and in such manner as the Board may from time to time by resolution determine.

#### PROCEEDINGS OF THE BOARD

Quorum

109. The quorum for a 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 at any time the number of interested Directors exceed or is equal to two-third of the total strength, the number of the 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.

110. (1) The Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit.

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

111. If a meeting of the Board could not be held for want of quorum, whatever number of Directors shall be present at the adjourned meeting, notice whereof shall be given to all Directors, shall form a quorum. Quorum at adjourned meetings

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

(ii) In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

113. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General Meeting of the Company, but for no other purpose. Procedure to be adopted if there is no quorum

114. (i) The Board may elect one of its members as Chairman of its meeting and determine the period for which he is to hold office. Chairman of the Board

(ii) If no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting. Choosing of Chairman by Directors present

115. Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke such delegation and discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Directors may appoint Committees



Meeting  
of a  
Committee

116. The meetings and proceedings of any such Committee of the Board, consisting of two more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

Chairman of  
a Committee

117. (i) A Committee may elect a Chairman of its meetings.
- (ii) If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes of the time appointed for holding the meeting, the members present may choose one of their member to be the Chairman of the meeting.

Committee  
proceedings

118. (i) The Chairman of the Committee may call, and adjourn the meeting as and when it thinks proper.

Voting at  
Committees

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

Validity of  
Director's  
acts.

119. All acts done by any meeting of the Board or by a committee thereof or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified; or had vacated office, or were not entitled to act as such, or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, had duly continued in office, was qualified, had continued to be a Director, provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Resolution by  
circulation.

120. Save as otherwise expressly provided in the Act, a resolution in writing signed by all members of the Board or of a committee thereof, for the time being entitled to receive a notice of a meeting of the Board or committee, shall be as valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.

## POWER OF THE BOARD

General  
Powers of  
Company  
vested in  
Directors.

121. (i) The business of the Company shall be managed by the directors who in addition to the powers and authorities by these presents or otherwise expressly conferred upon them may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby by law expressly directed or required to be done by the Company in General Meeting but subject nevertheless to the provisions of any law and of these presents and to any regulations, not being inconsistent with these presents, from time to time made by the Company in General Meeting. Provided that, no regulations so



made shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.

- (ii) Without prejudice to the general power conferred on them, the directors may from time to time, subject to the restrictions contained in the Act, delegate to any of the Directors, employees or other persons including any firm or body corporate, any of the powers, authorities and directions for the time being vested in the directors either by passing resolution or by granting Power of Attorney or in any other lawful manner and any such delegate or attorney may be authorised to sub delegate all or any of the power, authorities and discretions.
- (iii) In accordance with the provisions of Sections 48, the Board may, by writing under the Common Seal of the Company empower any person, either generally or in respect of specified matters as the authority of the Company to execute deeds on behalf of the Company in any place either in or outside India.

#### MANAGING DIRECTORS AND WHOLE-TIME DIRECTORS

- 122. (i) Subject to the provisions of the Act, the Board of Directors may from time to time appoint one or more of their body to the Office of Managing Director or whole-time Director for such period and on such terms and conditions as the Board for such period and on such terms and conditions as the Board may think fit and subject to the terms of any agreements entered into with him, may revoke such appointment. In making such appointment(s) the Board shall ensure compliance with the requirements of law and shall seek and obtain such approvals as are prescribed by the Act. Provided that a Director so appointed, shall not whilst holding such office, be subject to retirement by rotation or to be taken into count in determining the retirement by rotation of Directors but his appointment shall be automatically determined if he ceases to be a Director.
 

Appointment of  
Managing  
or Wholetime  
Directors.
- (ii) The Board may entrust and confer upon a Managing Director or whole-time Director any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board, and the Board may from time to time revoke, withdraw, alter or vary all or any of such powers.
 

Their powers  
and duties

#### SECRETARY

- 123. (i) A Secretary of the Company may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.
 

Appointment  
of Secretary



124. A provision of the Act, or these regulations requiring or authorising a thing to be done by or to a Director and the manager or secretary shall not be satisfied by its being done by or to the same person acting both as director and as or in place of, the manager or secretary.

#### THE SEAL

Safe  
Custody of  
the Seal.

125. (i) The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the Seal for the time being.

Affixing of  
Seal to  
be authorised  
by Board.

- (ii) Subject to any statutory requirements as to Share Certificates or otherwise, the Seal of the company shall not be affixed to any instrument except by authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one Director and of the Secretary or of two Directors or such other persons as the Board may appoint for the purpose, and or one Director and Secretary or two Directors or other persons as aforesaid, shall sign every instrument to which the Seal of the Company is so affixed in their presence.

Seal of  
use abroad

- (iii) The Board shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use, in any territory, district or place outside India.

#### DIVIDENDS AND RESERVE

Declaration  
of dividends

126. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

Payment of  
interim  
dividends

127. The Board may from time to time pay to the members such interim dividends as appear to it be justified by the profits earned by the Company.

Reserves

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

Power to  
carry forward  
profits

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



- (i) Subject to the rights of the persons, if any, holding shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the share. Dividend only from profits
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as having been paid on the share. Amount paid in advance of calls
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited on the share during any portion or portions of the period in respect of which the dividends is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. Distribution of dividends

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

130. (i) Any General Meeting declaring a bonus may direct payment of such bonus, wholly or partly, by the distribution of specific assets; and the Board shall give effect to the resolution of the meeting. Mode of payment of dividend or bonus
- (ii) Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates and fix the value of distribution of such specific assets to any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board. Any decision or action taken by the Board under this Article shall be binding on all the members of the Company. Power of the Board to distribute dividend

- (iii) Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall, Right to dividend right shares bonus shares to be held in abeyance pending registration of transfer of shares
- a. Transfer the dividend in relation to such shares to the special accounts referred in Section 205 A of the Act unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer and
- b. Keep in abeyance in relation to such shares any offer of right shares under Clause (a) of subsection (1) of section 81 of the act and any issue of the fully paid up bonus shares in pursuance to sub-section 3 of section 205 of the Act.



- Payment by warrant** 131. (i) Any dividend, interest, or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the first named holder or joint holders may in writing direct.
- Warrant payable to whom** (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- Receipts for dividends etc in case of joint holders** 132. Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.
- Notice of dividend** 133. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- No interest on dividend** 134. No dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid, subject to the provisions of Companies Act, 1956.
- Unclaimed dividend** 135. Dividends unclaimed shall be dealt with according to provisions of the Company's Act.

## ACCOUNTS

- Inspection by members** 136. (i) 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.
- Restriction on inspection by members** (ii) No member (not being a Director) shall have any rights of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or the Company in General Meeting.
- Copies shall be sent to each member** (iii) Subject to the provisions of Section 219 of the Act a copy of such profit and loss account and Balance Sheet (including the auditor's report and other documents required by law to be annexed or attached to the Balance Sheet) shall at least 21 days before the meeting at which the same are to be laid before the members of the Company, to every trustee for the holders of any debenture issued by the Company, whether such member or trustees, is/are not entitled to have notices of general meetings of the Company sent to him and to all persons other than such members or trustees, being persons so entitled.



## CAPITALISATION OF PROFITS

137. (i) The Company in General Meeting may, upon the Capitalisation recommendation of the Board resolve :
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Profit and Loss Account or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members, who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) the sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively.
  - (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to an amongst such members in the proportions aforesaid; or
  - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub clause (b).
- (iii) Any share premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- (iv) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
138. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and allotment and issue of fully paid shares or debentures, if any; and
  - (b) generally do all acts and things required to give effects thereto.
- (ii) The Board shall have full power
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions and also.
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto into an

Mode of  
paymentApplication of  
share premium  
account and  
reserve fundBoard to give  
effect to the  
resolutionsAppropriation  
and application  
of undivided  
profits



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

Effect of  
agreement

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

#### SECRECY

Secrecy  
clause

139. No member or other person (not being a Director) shall be entitled to visit or inspect the Company's works without the permission of the Board of Directors or the Managing Director or to require discovery of any information respecting any detail of the Company's business; trading or customers or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process, or any other matter which may relate to the conduct of the business of the Company or which in the opinion of the Directors it will be inexpedient in the interest of the Company to disclose.

#### WINDING UP

Winding  
up

140. (1) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

Liquidator's  
power to fix  
value and  
divide property

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

Liquidator's  
power to vest  
property  
in Trustees

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

#### INDEMNITY

Indemnity

141. Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditor, Secretary and other officer or servant of the Company (all of whom are hereinafter referred as Officer or servant) shall be indemnified by the Company, and it shall be the duty of the Directors out of the funds of the



Company to pay, all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done or omitted by him as such officer or servant or in any way in the discharge of his duties, and in particular, and so as not to limit the generality of the foregoing provisions, against any liability incurred by such officer or servant in defending any proceedings whether civil or criminal in which a judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court. The amount for which such indemnity is provided shall immediately attach as a charge on the property of the Company.

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

Names, address, descriptions and occupations of the subscribers.	Number of shares taken by each Subscriber	Names, address, descriptions and occupations of the witnesses
<p>Sd/- Shri Bharat Chimanlal Patadia s/o Chimanlal Patadia 174, Gujarat Society, Sion (West), Bombay-400 022. Business</p>	<p>5 (Five) Equity Shares</p>	
<p>Sd/- Shri Bhulchandra Shantilal Shah s/o Shantilal Shah "Shreyas" Plot No. 2, Agarwal Nagar, Malegaon Road, Dhulia-424 001. Business</p>	<p>5 (Five) Equity Shares</p>	<p>Sd/- (S. V. Vimadlal) R. S. VIMADALAL ASSOCIATES Chartered Accountants 14, Hamam House, 3rd Floor, 36, Ambalal Doshi Marg, Fort, Bombay-400 023.</p>
<p>Sd/- Shri Kamal Odhavji Somaiya s/o Odhavji Somaiya 353/B/36 Vallabh Baug Lane, 9, Anand Jeevan Ratna, Ghatkopar (East), Bombay-400 077. Service</p>	<p>5 (Five) Equity Shares</p>	
<p>Total :</p>	<p>15 (Fifteen) Equity Shares</p>	

Bombay: Dated this 9th day of April, 1985.