



**MEMORANDUM OF ASSOCIATION**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**NGL FINE-CHEM LIMITED**







प्रारूप. आई. आर.  
Form I. R.

निगमन का प्रमाण-पत्र  
CERTIFICATE OF INCORPORATION

ता. \_\_\_\_\_ का सं. \_\_\_\_\_  
No. 25884 of 19 81

मैं एतद्वारा प्रमाणित करता हूँ कि आज \_\_\_\_\_

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निश्चित की गई है और यह कम्पनी  
परिचीनित है।

I hereby certify that NGL FINE-CHEM PRIVATE LIMITED

is this day incorporated under the Companies Act, 1956 (No. 1 of  
1956) and that the Company is Limited.

मेरे हस्ताक्षर से आज ता. \_\_\_\_\_ को किया गया।

Given under my hand at BOMBAY this EIGHTEENTH  
day of DECEMBER One thousand nine hundred and EIGHTYONE



Sd/-  
[T. S. V. PANDURANGA SARMA]

कम्पनियों का रजिस्ट्रार  
Registrar of Companies.

**ADOPTED NEW SET OF MEMORANDUM OF ASSOCIATION VIDE SPECIAL RESOLUTION  
PASSED AT THE THIRTY EIGHTH ANNUAL GENERAL MEETING HELD ON 23<sup>RD</sup> AUGUST,  
2019**

**THE COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**OF**

**NGL FINE-CHEM LIMITED**

- I. The name of the Company is **NGL FINE-CHEM LIMITED**.
- II. The Registered Office of the Company will be situated in the State of Maharashtra.
- III. (A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE :-
  1. To carry on the business of manufacturers, exporters, importers, refiners, processors, buyers, sellers and dealers in Chemicals and Dyes including organic and inorganic chemicals, fine chemicals, scientific chemicals, agricultural chemicals, industrial chemicals, chemicals used to capable of being used in the drugs and pharmaceutical industry, petro chemicals, aromatic chemicals or mixtures, derivatives, compounds, speciality chemicals, pharmaceutical intermediates, finished pharmaceutical dosages and premixes of drugs thereof.
  2. To carry on the business of manufacturers, exporters, importers, dealers and refiners of drugs, acids, soda ash, caustic soda, salts, textile auxiliaries, dyestuffs, intermediates, colours, pigments, alkalis, alcohol, antibiotics, pharmaceuticals, medical and chemical preparations, articles and compounds whether of animal, vegetable or mineral origin and fertilizer compounds.
- (B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:
  - 3) To enter into partnership with any firm, person or association of persons carrying on business of manufacturers, processors and dealers in chemicals, drugs, pharmaceuticals and to absorb all the activities and dealings of the promoters of the Company, carried out by them on behalf of the proposed company.
  - 4) To carry on the business of research, manufacturer of formulations, all kinds of bulk drugs, Fine Chemicals, Chemical intermediates, Drug intermediates, Pharmaceutical products and Biological and surgical products.



- 5) To act as management consultants for, that is to offer technical, managerial, marketing, and other guidance for Projects of Bulk Drugs, Fine Chemicals, Formulations Pharmaceuticals, Organic and Inorganic Chemicals for others both in India and/or abroad.
- 6) To act as analytical and consulting chemists, druggists, pharmaceutical and chemical engineers and to undertake analytical process, development and research work of chemical and pharmaceutical products.
- 7) To acquire and take over recipes, formula and full information as to the process of manufacturing and the right to manufacture and deal in chemicals and their substances, articles, things, which the Company is authorized to deal in.
- 8) To import, export, buy, sell, exchange, refine, repair, improve and deal in and with, whether as principals, agents, brokers and otherwise and to carry on all or any of the business of importers and exporters, manufacturers, contractors, buying and selling agents, whole-sale and retailers in all and every kind of products, substance, goods for any of the objects for which the Company is formed.
- 9) To buy, sell, import or export and deal in all kinds of machineries and plants, stores containers, tanks, equipments and vessels required for storing, manufacturing and processing required for the business of the Company.
- 10) To undertake on loan, licence basis work of manufacturing chemicals, pharmaceuticals for other parties.
- 11) To acquire and maintain distribution depots in any other cities/towns in India and to deal in selling and purchase of the same.
- 12) To construct, manufacture, repairs, maintain, alter or otherwise deal in accessories and raw materials which may be capable of being used or are used in the course of any such aforesaid business or which are likely to be required by customers of any of such business.
- 13) To carry on the business of constructors, builders and out fitters of trolleys, trays, laboratory equipments, chemicals and pharmaceutical plants and machinery of all kinds whether for purposes of our own or for others and all machinery materials and things applicable or used as accessories thereto.
- 14) To collaborate with foreign firms for acquiring or offering technical know-how or to employ foreign technicians or experts or advisers on a contract basis or otherwise and to loan on suitable terms the Company's technicians, experts and others to other parties in or outside India for developing allied Industries.
- 15) To send out to foreign countries the Company's own technicians, plants, plant and machinery, tools for developing industries in foreign countries on a joint venture basis or otherwise and to send out Company's men to foreign countries for further training.

- 16) To apply for tender, purchase or otherwise acquire any licences, contracts, sub-contracts and concessions for or in relation to the objects or business herein mentioned or any of them and to undertake, execute, carryout, dispose of or otherwise turn to account the same.
- 17) To use trademarks, trade names or brands for the products, goods and services of the Company and to adopt such means of making known the products and services of the Company as may seem expedient and in particular by advertising in papers, by circulars, by publishing books and periodicals.
- 18) To acquire and take over as a going concern by purchase of or on lease to undertake to carry on the whole or any part of the business together with the goodwill and trade name, property, rights and liabilities of any person or persons, firm or any company carrying on business, any part of the purposes of which is within the objects of the Company or which the Company is authorised to carry on or possessed of property suitable for the purposes of the Company and to pay for the same by shares bonds cash or otherwise and to conduct and carry on or liquidate and wind up any such business.
- 19) To enter into any arrangement with any Government, Municipal or Local authority in India or any part of the world or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authorities, rights, privileges and concessions, which the Company thinks it desirable to obtain and carry out, execute and comply with any such arrangements rights, privileges and concession.
- 20) To take on lease, hire purchase or acquire by licence or otherwise any lands, rights over or connected with lands, mills, factories, plants, buildings, works, vessels, boats, barges, launches, lorries. cars, wagons, carts machinery, apparatus, stock-in-trade, patents, inventions, trademarks, rights privileges and movable or immovable property of any description which may be deemed necessary or convenient for the business which the Company is authorised to carry on.
- 21) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operative or otherwise, with any person, or company carrying on or engaged in or about to carry on or engage in any business transaction which this company is authorised to carry on or engage in or business transaction or indirectly to benefit this Company and to guarantee the contracts of or otherwise assist, any such person or company and take or otherwise acquire shares and securities of any such company and to sell, hold, reissue with or without guarantee or otherwise deal with the same.
- 22) To open current overdraft loan, cash credit or deposit account or accounts with any bank, company, firm or person and to make, draw accept, endorse, negotiate, discount, buy, sell and deal in bill, notes and other negotiable and transferable instruments or securities.
- 23) To receive on deposit with or without allowance of interest, to advance and lend money upon such securities thereof as may be thought proper to any person, firm or company and to invest such of the Company's money not immediately required in shares and securities of limited companies and in Government securities, bonds, debentures or any other type of short or long term borrowings, in such manner as may from time

to time be required and to guarantee in performance of any contract, provided the Company shall not carry on Banking business, as defined in the Banking Regulation Act, 1949, subject to the provisions of the Companies Act, 2013 and the directives of Reserve Bank of India.

- 24) To raise or borrow or secure the payment of money, in such terms as may seem expedient and in particular by the issue of bonds, otherwise and charged or not charged on the whole or any part of the rights or property and redeem, purchase, or pay of any such security.
- 25) To acquire and secure membership seat privilege either in the name of the Company or its nominees in any association, exchange, market or institution in India or any part of the world dealing in chemicals, pharmaceutical, biological and surgical products.
- 26) To encourage, organise, promote and participate in exhibition, trade fairs, demonstrations of any kind or variety cinema or dramatic shows, clubs, associations, movements or activities of any kind or variety likely to promote the interest of the Company.
- 27) To carry on the business of advertising which may be usefully carried on in connection with such business and to acquire and undertake the whole or any part of the business property and liabilities of any person or company carrying on business as such contractor s of agents.
- 28) To develop or turn to account any land acquired by the Company or in which it is interested and in particular laying out and preparing the same for building purposes, construction, altering, pulling down, decorating, maintaining, fitting up and improving, building and conveniences and by planting, paving, draining, farming cultivating, letting on building, lease and entering into contracts and arrangements of all kind with builders, tenants and others for attaining main objects of the Company.
- 29) To guarantee the payment of money secured by or payable under or in respect of promissory notes, bonds, debenture stock, contracts, mortgage, charges, obligations, instruments and securities of any Company or any authority, supreme, municipal, local or otherwise or of any person whatsoever incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.
- 30) To pay for any properties, rights or privileges acquired by this company either in shares of this company, in exchange for shares or stock of any other company.
- 31) To apply for purchase, obtain or otherwise acquire and protect, prolong and renew, whether in India or elsewhere any patents, patent rights, licenses, protection, conversions and the like, conferring any exclusive or limited right to any inventions, secrets or other information which may seem, capable of being used for any of the Company, or which may seem calculated directly or indirectly to benefit the Company, and to use exercise develop manufacture under, or grant licences or privileges in respect of, or otherwise turn to account any patents, patent rights, inventions, secrets or informations, so acquired and to spend moneys in experimenting upon, testing, improving or seeking to improve the patents, patent inventions, secrets, or informations so acquired or proposed to be acquired.

- 32) To make donation to such person or institutions and in such cases either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person or corporation promoting the business of the Company, subject to the provisions of the Companies Act, 2013.
  - 33) To accumulate capital from the profits of the Company for any of the purposes of the Company and use and appropriate the same of any of the Company's assets either conditionally or unconditionally for specific purpose to accumulate funds and to admit any person or persons who have more legal claim to participate in the profits and assets of the Company.
  - 34) To amalgamate with other company or companies having objects altogether with or in part similar to those of this Company.
  - 35) To invest any, surplus moneys of funds of the Company in such investments, other than shares or stock of the Company as may be thought proper and to hold sell, vary or otherwise deal with such investments and to execute all assignments, transfer, receipt and documents that may be necessary for the purpose.
  - 36) To distribute among the members in specie any property of the company or any proceeds of sale or disposal of any property of the Company, subject to the provisions of the companies Act, in the event of winding up.
  - 37) To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them in any part of the world and as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others.
- IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- \*V. The Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.5/- (Rupees Five Only) each.
- a) Any share of the original or increased authorised share capital may from time to time be issued with guarantee to any rights of preference whether in respect of dividends or of repayment of capital or any other special privilege or advantage over any shares previously issued or then about to be issued or with deferred or qualified rights as compared with any shares previously issued or subject to any provisions or conditions and with any special rights or without any rights or voting and generally on such terms, as the Company may from time to time determine.
  - b) The rights of the holders of any classes of shares for the time being forming part of the Capital of the Company, may be modified, affected, varied, extended or surrendered whether with the consent in writing of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of these shares.

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\* The Authorised Capital re-organised vide Mumbai High Court order of sanctioning the scheme of Amalgamation dated 28<sup>th</sup> January, 2005.



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

Names, address description and occupation of Subscribers	Number of Equity Shares taken by each Subscriber	Signature of Subscriber	Name, Address and description of Witness
<b>NARAYAN GANESH LAWANDE</b> S/o GANESH NARAYAN LAWANDE 6, Anandven, Sahitya Sahwas CHS, Bandra (East), Bombay – 400 051. Industrialist.	10 (Ten)	Sd/-	Sd/-  <b>BABU LAL JAIN</b> S/o. LATE SHRI HARAKCHAND JAIN 43, Onlooker Bldg., Sir Phirozsha Mehta Road, Bombay – 400 001. Chartered Accountant
<b>ARUN GANESH LAWANDE</b> S/o GANESH NARAYAN LAWANDE 449/18, Viram Mansion, King's Circle, Matunga, Bombay – 400 019. Service.	10 (Ten)	Sd/-	
<b>Total ...</b>	<b>20 (Twenty)</b>		

**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**(INCORPORATED UNDER THE COMPANIES ACT, 1956)**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**NGL FINE-CHEM LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Annual General Meeting held on September 11, 2015 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company.

- 1 No regulations contained in Table "F" in the First Schedule to the Companies Act, 2013 shall apply to this Company, but the regulations for the management of the Company and for the observance by the members thereof and their representatives shall, subject to any exercise of the statutory powers by the Company with reference to the repeal or alteration of, or addition to its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in the said Articles. **Table "F" not to apply but company to be governed by these Articles.**

**INTERPRETATION**

- 2 The marginal notes hereto shall not affect the construction hereof. In the interpretation of these Articles the following expression shall have the following meanings, unless repugnant to the subject or context: **Interpretation**

"The Act" - means the Companies Act, 2013, as amended (for the time being in force) and the Companies Act, 1956 to the extent the provisions have not been superseded by the Companies Act, 2013 and includes the rules made there under and any statutory modification or re-enactment thereof for the time being in force. **The Act**

"Annual General Meeting" - means a general meeting of the members held in accordance with the provisions of the Section 96 of the Companies Act, 2013. **Annual General Meeting**

"Auditors" - means and includes the persons appointed as such for the time being of the Company. **Auditors**

"Beneficial Owner" - shall mean beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996. **Beneficial Owner**

“Board” or “Board of Directors” - means a meeting of the Directors or a Committee thereof duly called and constituted, or as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles, or acting by Circular Resolution under the Articles. **Board of Directors**

“Bye-laws” - means the Bye-laws which may be made by the Board of Directors of the Company under these Articles and which may for the time being be in force. **Bye-laws**

“Capital” - means the capital for the time being raised for the purpose of the Company. **Capital**

“The Chairman” - means the Chairman of the Board of Directors for the time being of the Company. **Chairman**

“The Company” or “This Company” - means **NGL FINE-CHEM LIMITED.** **The Company or This Company**

“Debenture” - includes debenture stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not. **Debenture**

“Depositories Act, 1996” - shall include statutory modifications or re-enactment thereof. **Depositories Act**

“Depository” - shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996. **Depository**

“Directors” - means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board, or acting under a Circular Resolution under the Articles. **Directors**

“Dividend” - includes any interim dividend. **Dividend**

“Documents” - includes summons, notices, requisition, other legal process and registers, whether issued, sent or kept in pursuance of the Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form. **Documents**

“Executor” or “Administrator” - means a person who has obtained Probate or Letter of Administration, as the case may be, from a Competent Court. **Executor or Administrator**

“Extra-ordinary General Meeting” - means an extra-ordinary general meeting of the members duly called and constituted and any adjourned holding thereof. **Extra-ordinary General Meeting**

“General Meeting” - means a general meeting of the members. **General Meeting**

“Group” - means a group of two or more individuals, associations, firms or bodies corporate, or any combination thereof, which exercises or is in a position to exercise, or has the subject of exercising, control over any individual, body corporate, firm or trust. **Group**

“In writing” or “written” – means and includes words printed, lithographed, represented or reproduced in any other modes in a visible form, including telex, telegram. **In Writing and Written**

“Members” - means the duly registered holders, from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996. **Members**

“Month” - means a calendar month. **Month**

“Office” - means the registered office for the time being of the Company. **Office**

“Ordinary Resolution” - shall have the meaning assigned to it by Section 114 of the Companies Act, 2013. **Ordinary Resolution**

“Paid-up” - includes credited as paid up. **Paid-up**

“Persons” - includes individuals, any company or association or body of individuals whether incorporated or not. **Persons**

“Proxy” - means an instrument whereby any person is authorized to vote for a member at the general meeting or poll. **Proxy**

“The Register of Members” - means the register of members to be kept pursuant to Section 88 of the Companies Act, 2013. **The Register of Members**

“The Registrar” - means the Registrar of Companies. **The Registrar**

“The Company’s Regulations” - means the regulations for the time being for the management of the Company. **The Company’s Regulations**

“Seal” - means the Common Seal for the time being of the Company. **Seal**

“SEBI” – means the Securities and Exchange Board of India. **SEBI**

“Secretary” - means and include a temporary or Assistant Secretary and any person or persons appointed by the Board [in accordance with the provisions of the Companies (Secretary’s Qualifications) Rules 1975 or any other rules for the time being in force] to perform any of the duties of the Secretary. **Secretary**

“Shares” - means the shares or stocks into which the capital of the Company is divided and the interest corresponding with such shares or stocks except where a distinction between stocks and shares is expressed or implied. **Shares**

“Special Resolution”- shall have the meaning assigned thereto by Section 114 of the Companies Act, 2013. **Special Resolution**

“Tribunal” – means the National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013. **Tribunal**

“Year” - means the calendar year and “Financial Year” - shall **Year** have the meaning assigned thereto by Section 2 (41) of the Companies Act, 2013.

Words importing the masculine gender also include the feminine **Gender** gender.

Words importing the singular number includes where the context **Singular Number** admits or requires, the plural number and vice versa.

Unless the context otherwise requires, words and expressions **Expressions in the** contained in these Articles shall bear the same meaning as in the **Act to bear the same** Act or any statutory modification thereof for the time being in **meaning in Articles** force.

## **CAPITAL**

- 3 (a) The Authorized Share Capital of the Company will be as that specified in Clause V(a) of the Memorandum of Association from time to time in accordance with the regulations of the Company and the legislative provision for the time being in force in this behalf and power to divide the Share Capital into Equity Share Capital or Preference Share Capital and to attach thereto respectively, any preferential, qualified or special rights, privileges or conditions, and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents PROVIDED HOWEVER that where any Government has made an order under sub-section 4 of Section 62 of the Companies Act, 2013 directing that any debenture issued by the company or loan taken by the Company or any part thereof shall be converted into shares of the Company and no appeal has been preferred to the Tribunal under sub-section (4) of Section 62 of the Companies Act, 2013 or where such appeal has been dismissed, the memorandum of the Company shall, where such order has the effect of increasing the Authorized Share Capital, stand altered and the Authorized Share Capital of the Company shall stand increased by an amount equal to the amount of the value of the shares into which such debentures or loans or part thereof has been converted.

### **Preference Shares, Rights of Holders**

- (b) The holders of Preference Shares shall be entitled to be paid out of the profits which the Directors shall determine to distribute by way of dividend, a fixed cumulative preferential dividend at such rates as maybe fixed by the Company (free of Company's tax but subject to deduction of tax at source at the prescribed rate), on the amount credited as paid up thereon and to the right, on winding up, to be paid all arrears of preferential dividend, whether earned or declared or not, down to the commencement of winding up, and also to be repaid the amount of capital paid or credited as paid up on the Preference Shares held by them respectively in priority to any payment in respect of Equity Shares, but shall not be entitled to any other rights in the profits or assets of the Company. Subject as aforesaid and to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the Equity Shares, in the event of the winding up of the Company, the holders of the Equity Shares shall be entitled to be repaid the amounts 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 or credited as paid up on such Equity Shares respectively at the commencement of the winding up.



- (c) Subject to the provisions of Section 80 of the Companies Act, 1956 (as may be applicable) and Section 55 of the Companies Act, 2013 (as may be applicable) the following provisions shall apply in regards to redemption of Cumulative Preference Shares:
- (i) The Company may subject to the terms of issue at any time but in any event not later than twenty years from the issue of shares apply any profits or monies of the Company which may be lawfully applied for the purpose in the redemption of the preference shares at par together with a sum equal to arrears of dividend thereon down to the date of redemption.
  - (i) In the case of any partial redemption under sub-clause (c) (I) of this Article, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a drawing to be made at the office or at such other place as the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company.
  - (iii) Forthwith after every such drawing the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same fixing a time (not less than three months thereafter) and the place for the redemption and surrender of the shares to be redeemed.
  - (ii) At the time and place so fixed each holder shall be bound to surrender to the Company the Certificate for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such Certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh Certificate there for.
- (d) Subject to the provisions of the Articles, the Company shall be entitled to create and issue further Preference Shares ranking in all or any respects pari passu with the said Preference Shares, PROVIDED in the event of its creating and/or issuing Preference Shares in future, ranking pari passu with the Preference Shares proposed to be issued, the Company would do so only with the consent of the holders of not less than three-fourths of the Preference Shares then outstanding.
- (e) The Redeemable Cumulative Preference Shares shall not confer on the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47(2) of the Companies Act, 2013.
- (f) The rights, privileges and conditions for the time being attached to the Redeemable Cumulative Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.

#### **Increase of capital by the Company and how carried into effect**

4. (a) The Company in general meeting may, by ordinary resolution from time to time, increase the capital by creation of new shares of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe,

and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Sections 47 and 55 of the Companies Act, 2013.

- (b) Whenever the capital of the Company has been increased under the provisions of this Article the Company shall file with the Registrar notice of the increase of capital as required by Section 64 of the Companies Act, 2013 within thirty days of the passing of the resolution authorizing the increase, or of the receipt of the order of the Government or consequent upon an order made by the Government under Section 62 of the Companies Act, 2013.

#### **Capital of two kinds only**

- 5. Neither the original capital nor any increased capital shall be more than two kinds, namely (i) Equity Share Capital and (ii) Preference Share Capital, as defined in Section 43 of the Companies Act, 2013.

#### **New Capital same as existing capital**

- 6. Except in so far as otherwise provided by the conditions of issue or by these Articles any capital raised by creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

#### **Redeemable Preference Shares**

- 7. Subject to the provisions of Section 55 of the Companies Act, 2013, the Company shall have the power to issue Preference Shares which are or at the option of the Company are to be liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

#### **Provisions to apply on Issue of Redeemable Preference Shares**

- 8. On the issue of Redeemable Preference Shares under the provisions of Article 7 hereof and subject to the provisions of the Act, the following provisions shall take effect :
  - (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption.
  - (b) No such shares shall be redeemed unless they are fully paid.
  - (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Securities Premium Account, before the shares are redeemed.
  - (d) Where such shares are proposed to be redeemed out of the profits of the Company, there shall out of such profits, be transferred to a reserve fund to be called 'The Capital Redemption Reserve Account', a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Companies Act, 2013 relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

- (e) Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of Preference Shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

### **Reduction of Capital**

- 9. The Company may from time to time by special resolution, subject to confirmation by the Court or the Tribunal (as may be applicable) and subject to the provisions of Sections 52, 55 and 66 of the Companies Act, 2013 and other applicable provisions, if any, reduce its share capital in any manner and in particular may –
  - (a) extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or
  - (b) either with or without extinguishing or reducing the liability on any of its shares,-
    - (i) cancel any paid up share capital which is lost or is unrepresented by available assets;
    - (ii) Pay off any paid up share capital which is in excess of the wants of the Company.

### **Buy Back of Shares**

- 9A. Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other securities, and the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by law.

### **Variation in terms of contract or objects in prospectus**

- 9B. The Company shall not, at any time, vary the terms of a contract referred to in prospectus or objects for which the prospectus was issued, except subject to the approval of, or except subject to an authority given by the Company in General Meeting by way of special resolution, and in accordance with the provisions of the Act. Provided that the Company shall not use any amount raised by it through Prospectus for buying, trading or otherwise dealing in Equity Shares of any other listed Company. The dissenting shareholders, being the shareholders who have not agreed to the proposal to vary the terms of the contracts or the objects referred to in the prospectus, shall be given an exit offer by the promoters or controlling shareholders of the company, in accordance with such terms and conditions as may be specified on this behalf by the Securities and Exchange Board of India.

### **Consolidation, division, Subdivision and cancellation of shares**

- 10. Subject to the provisions of Section 61 of the Companies Act, 2013, the Company maybe ordinary resolution:
  - (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) Convert all or any of its fully paid-up share into stock; and reconvert that stock into fully paid-up shares of any denomination;

- (c) Sub-divide its existing shares, or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) Cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

Whenever the Company does any one or more of the things provided for in the foregoing sub-clauses (a), (b), (c) and (d), the Company shall, within thirty days thereafter give notice thereof to the Registrar as required by Section 64 of the Companies Act, 2013 specifying, as the case may be, the shares consolidated, divided, sub-divided, converted into stock or cancelled.

11. Whenever the share capital of the Company, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Companies Act, 2013, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meetings shall, mutatis mutandis, apply to every such meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. Provided that if variation by one class of shareholders of the Company affects the rights of any other class of shareholders of the Company, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this Article shall apply to such variation. The rights conferred upon the holders of the shares (including Preference Shares, if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of the issue of shares of that class be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* therewith.

## **SHARES, DEBENTURES, OTHER SECURITIES AND CERTIFICATES**

### **Register and Index of Members**

12. The Company shall cause to be kept and maintained a Register of Members, register of debenture-holders, and register of any other security holders in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares, debentures, or other securities held in material and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Company is authorized to, if so required by the Company, maintain a part of its register of members, register of debenture holders and / or register of any other security holders outside India (such part of the relevant register shall be called the “**Foreign Register**” and such Foreign Register shall contain the names and particulars of the members, debenture holders, other security holders or beneficial owners (as the case may be) residing outside India.

### **Dematerialization**

- 12A (1) Notwithstanding anything to the contrary contained in these Articles, the Company shall be entitled to dematerialize and rematerialize its existing shares, debentures and other securities and/or to offer its fresh shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any, and the register and index of beneficial owners maintained by the relevant Depository under section 11 of the Depositories Act, 1996, shall be deemed to be the corresponding register and index maintained by the Company.

### **Options for Investors**

- (2) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is a beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required Certificates of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in the records the name of the allotted as the beneficial owner of the security.

### **Securities with Depositories to be in fungible form**

- (3) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in sections 89 and 112 and such other applicable provisions of the Companies Act, 2013 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

### **Rights of Depositories and Beneficial Owners**

- (4) (a) Notwithstanding anything to the contrary contained in the Companies Act, 1956, the Companies Act, 2013 or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.
- (b) Save and otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all liabilities in respect of the securities held by a Depository on behalf of the beneficial owner.

### **Service of Documents**

- (5) Notwithstanding anything contained in the Companies Act, 1956, the Companies Act, 2013 or these Articles to the contrary, where securities are held with a Depository the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

### **Transfer of Securities**

- (6) Nothing contained in Section 56 of the Companies Act, 2013, or these Articles shall apply to transfer of securities issued by the Company, effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

### **Allotment of Securities dealt within a Depository**

- (7) Notwithstanding anything contained in Section 56 of the Companies Act, 2013 or these Articles, where securities issued by the Company are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.



### **Distinctive numbers of Securities held with a Depository**

- (8) Nothing contained in Section 56 of the Companies Act, 2013 or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company, shall apply to securities held with a Depository.

### **Restriction on Allotment and Return of Allotment**

- 13 The Board of Directors shall observe the restrictions as to allotment of shares to the public contained in Section 39 of the Companies Act, 2013, as well as any other applicable provisions of the Act, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013 and/or as may be prescribed under the Act.

### **Further Issue of Shares**

- 14 (1) Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:
- (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
  - (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. Such notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
  - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right, PROVIDED THAT the Directors may decline, without assigning any reason, to allot any shares to any person in whose favour any member may renounce the shares offered to him.
  - (d) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner and to such person(s) as they, in their sole discretion, think fit, subject to the provisions of the Act. Which is not disadvantageous to the shareholders and the Company.
- (2) Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever, subject to Section 62 of the Act
- (a) If a special resolution to that effect is passed by the Company in general meeting, or

- (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.
  - (3) Nothing in sub clause (c) of clause (1) hereof shall be deemed:
    - a) To extend the time within which the offer should be accepted: or
    - b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or the terms of any loans raised by the Company:
  - (a) To convert such debentures or loans into shares in the Company; or
  - (b) To subscribe for shares in the Company.

PROVIDED that the terms of issue of such debentures or terms of such loan containing such an option have been approved before the issue of such debentures or the raising of such loan by a special resolution passed by the Company in a General Meeting.
- (4) Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion. Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.
- (5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under sub-clause (5), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (5) or where such appeal has been dismissed, the Memorandum of

the Company shall, where such order has the effect of increasing the authorized share capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

### **Application of premium received on shares**

- 15 (1) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to an account, to be called "THE SECURITIES PREMIUM ACCOUNT" and the provisions of the Companies Act, 2013 relating to reduction of share capital of the Company shall, except as provided in this Article, apply as if the securities premium account were the paid-up share capital of the Company.
- (2) Notwithstanding anything contained in clause (1) above but subject to the provisions of Section 52 of the Companies Act, 2013, the securities premium account may be applied by the Company-
- (a) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus;
  - (b) in writing off the preliminary expenses of the Company;
  - (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company;
  - (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company; or
  - (e) For the purchase of its own shares or other securities under Section 68 of the Companies Act, 2013.

### **Power also to Company in General Meeting to issue shares**

- 16 In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 14 and 15, the Company in a General Meeting may, subject to the provisions of Section 62 of the Companies Act, 2013 and 108A of the Companies Act, 1956, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 52, 53 and 54 of the Companies Act, 2013) as such General Meeting shall determine and with full power to give any person whether a member or not the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 52, 53 and 54 of the Companies Act, 2013) such option being exercisable at such time and for such consideration as may be directed by such General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.

### **Shares at a discount**

- 17 Except as provided in Section 54 of the Companies Act, 2013, the Company shall not issue shares at a discount. Any share issued by the Company at a discounted price shall be void.

### **Instalments on shares to be duly paid**

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

### **Shares at the disposal of the Directors**

- 19 Subject to Section 62 and other applicable provision of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 53 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and is so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

### **Acceptance of shares**

- 20 Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a member.

### **Deposit and Call etc. to be a debt payable**

- 21 The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allotted in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allotted thereof, and shall be paid by him accordingly.

### **Liability of Members**

- 22 Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall from time to time require or fix for the payment thereof.

### **Limitation of time for issue of certificates**

- 23 (a) Every member shall be entitled, without payment, to receive one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as

the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every share certificate shall be under the Seal of the Company and shall specify the number and the distinctive number(s) of the shares in respect of which it was issued and the amount paid up thereon and shall be in such form as the directors may prescribe. Such certificate shall be issued only in pursuance of a Resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. PROVIDED THAT if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence. The certificate shall be signed in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of Share Certificates and maintenance of books and documents relating to issue of Share Certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within such time frame as may be prescribed in this regard after the allotment

- (b) In respect of a 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 of shares to one of several joint holders shall be sufficient delivery to all such holders.

#### 24 **Issue of new certificate in place of one defaced, lost or destroyed**

Subject to provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014, if any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees of the Directors so decide, or on payment of such fees (not exceeding Rs. 50/- for each certificate) as the Directors shall prescribe. PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer, or in case of sub-division or consolidation of shares.

Provided that notwithstanding the forgoing provision Article 24 what is stated above the Directors shall comply applicable law including such rules or regulation or requirements of any stock exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf for the time being in force.

The provisions of this Article shall *mutatis mutandis* apply to none of the certificates for any other securities including the debentures of the Company.



### **Sub-division of shares**

- 24A Notwithstanding anything contained in Article 24, the Board of Directors may refuse applications for subdivision of Share Certificate into denominations of less than the marketable lot for the time being in force, except when such sub-division is required to be made to comply with a statutory order or an order of competent court of law or to remedy a genuine mistake of fact or law.

PROVIDED THAT the Directors may, at their discretion, in case of genuine needs, allow sub-division of share certificates in denomination of less than the marketable lots, and may, if necessary, require production of suitable documentary evidence there for.

### **The first named joint holders deemed sole holder**

- 25 If any share stands in the names of two or more persons the first named in the Register shall, as regards receipts of dividends or bonus or service of notice or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of share shall severally as well as jointly be liable for the payment of all instalments and calls due in respect of such share, and for all incidents thereof according to the provisions of the Act.

### **Company not bound to recognize any interest in share other than of registered Holder**

- 26 Except as ordered by a court / Tribunal of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the beneficial owner thereof and accordingly shall not be bound to recognize any Benaim trust, or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

### **Nomination**

- 26A Notwithstanding anything contained hereinabove, a Member has a right to nominate one or more persons as his/her nominee(s) to be entitled to the rights and privileges as may be permitted under the law of such member in the event of death of the said member/s subject to the provisions of the Companies Act, 2013, and other applicable laws.

### **Declarations in respect of beneficial interest in any share**

- 27 When any declaration is filed with the Company under the provisions of Section 89 of the Companies Act, 2013, (i) by any holder of shares who does not hold beneficial interest in such share specifying the particulars of the person holding beneficial interest in such shares, or (ii) by a person who holds or acquires a beneficial interest in any share of the Company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the Company and such other particulars as may be prescribed, the Company, or (iii) by the person referred to in (i) and the beneficial owner referred to in (ii) where any change occurs in the beneficial interest of such shares, the Company shall make a note of such declaration in its concerned register and file, within 30 days from the date of receipt of the declaration by it, a return with the Registrar with regard to such declaration together with the prescribed fees for the same.

### **No purchase or giving of loans to purchase Company's shares**

- 28 Save as provided in Section 67 of the Companies Act, 2013, the Company shall not have the power to buy its own shares unless the consequent reduction of share capital is effected under the provisions of the Companies Act, 2013. The Company shall not give, whether directly or indirectly and whether by means of loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any share in the Company or in its holding Company.

## **UNDERWRITING**

### **Commission may be paid**

- 29 Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures or debenture stock in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture-stock of the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission shall be paid either out of the proceeds of the issue or the profit of the Company or both. Subject to the provisions of the Act, any commission payable as aforesaid may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may bear partly in one way and partly in the other.

### **Commission to be included in the Annual Return**

- 30 Where the Company has paid any sum by way of commission in respect of any shares or debentures such statement thereof shall be made in the Annual Return as required by Section 92 of the Companies Act, 2013.

## **INTEREST OUT OF CAPITAL**

### **Interest out of Capital**

- 31 Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by the Act, and may charge the same to Capital as part of the cost of construction of the work or building or the provisions of the plant.

## **CALLS**

### **Directors may make Calls**

- 32 Subject to the provisions of Section 49 of the Companies Act, 2013, the Board of Directors may, from time to time, by a Resolution passed at a meeting (and not by a Circular Resolution), make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares held by them (whether on account of the nominal value of the shares or by way of premium), and not by conditions of allotment thereof made payable at fixed time. Each member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board of Directors. A call may be made payable by instalments. A call may be postponed or revoked as the Board may determine.

### **Notice of Calls**

- 33 At least fourteen days' notice in writing of any call shall be given by the Company specifying the time or times and place of payment, and the person or persons to whom such call shall be paid.

### **Call to date from resolution**

- 34 A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

### **Directors may extend time**

- 35 The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such times as to all or any of the members who on account of residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension; but no member shall be entitled to such extension as of right except as a matter of grace and favour.

### **Amount payable at fixed time or by instalments to be treated as calls**

- 36 If by the terms of issue of any share or otherwise any amount is or becomes payable at any fixed time or by instalments at fixed times (whether on account of the nominal amount of the shares or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.

### **When interest on call or instalment payable**

- 37 If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof the holder for the time being or allotted of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest on the same at such rates as may be fixed by the Board of Directors from the day appointed for the payment thereof to the time of actual payment but the Directors may, in their absolute discretion, waive payment of such interest wholly or in part.

### **Evidence in actions by Company against shareholders**

- 38 On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives for the recovery of any monies claimed to be due to the Company for any call in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered is entered in the Register of Members as the holder or as one of the holders of the shares at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such 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 and the proof of the matters aforesaid shall be conclusive evidence of the debt.

### **Partial payment not to preclude forfeiture**

- 39 Neither a judgment nor a decree in favour of the Company for the calls or other monies due in respect of any shares nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

### **Payment in anticipation of calls may carry interest**

- 40 The Board of Directors may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof from time to time as exceeds the amount of the calls then made upon shares in respect of which such advance has been made, the Company may pay interest, at such rate, not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may at any time repay the amount so advanced. The member paying any such sum in advance shall not be entitled to dividend or to participate in the profits of the Company or to voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the Company.

## **LIEN**

### **Company's lien on shares/debentures**

- 41 The Company shall have a first and paramount lien upon all shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) 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/debentures and no equitable interests in any such share shall be created except upon the footing and condition that this Article is to have full effect. Any such lien shall extend to all dividends payable and bonuses declared from time to time declared in respect of shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. PROVIDED THAT the Board of Directors may, at any time, declare any share/debenture to be wholly or in part exempt from the provisions of this Article. Fully paid-up share shall be free from all lien and in the case of partly paid-up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

### **As to enforcing lien by sale**

- 42 The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same. PROVIDED THAT no sale shall be made:-(a) unless a sum in respect of which the lien exists is presently payable; or(b) Until the expiration of fourteen days after the notice in writing demanding payment of such part of the amount in respect of which the lien exists as in 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. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorize out of their members to execute a transfer thereof on behalf of and in the name of such members.

### **Transfer of shares sold under lien**

- 43 (1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (2) The Purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### **Application of proceeds of sale**

- 44 (1) The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable; and
- (2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).

## **FORFEITURE OF SHARES**

### **If money payable on share not paid notice to be given to member.**

- 45 If any member fails to pay any call or any instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, during such time as the call for instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

### **If call or instalment not paid, notice may be given.**

- 46 For the purpose of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

### **Form of notice**

- 47 The notice shall name a day (not being less than fourteen days from the date of the notice) and a place on and at which such call or instalment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

### **If default of payment, shares to be forfeited**

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



**Notice of forfeiture to a member**

- 49 When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

**Forfeited share to be the property of the Company and may be sold etc.**

- 50 Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit. The Board may decide to cancel such shares.

**Member still liable to pay money owing at the time of forfeiture and interest**

- 51 Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such monies or any part thereof, if it thinks fit, but shall not be under any obligation so to do.

**Effect of forfeiture**

- 52 The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

**Power to annul Forfeiture**

- 53 The Board of Directors 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.

**Validity of forfeiture**

- 54 (1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, 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;
- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (3) The person to whom such share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the shares;
- (4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, instalments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment;

- (5) Such purchaser or allotted shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

**Provision of these Articles as to forfeiture to apply in case of non-payment of any sum**

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

**Cancellation of share certificates in respect of forfeited shares**

- 56 Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, 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 member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the persons entitled thereto.

**Surrender of shares**

- 57 The Directors may, subject to the provisions of the Companies Act, 2013, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.

**TRANSFER AND TRANSMISSION OF SHARES**

**Register of Transfers**

- 58 The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debenture held in material form.

**Transfer and Transmission of Shares and Securities held in electronic form**

- 59 In the case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.

**Instrument of Transfer**

- 59A The instrument of transfer of any share shall be in writing and all the provisions of Section 56 of the Companies Act, 2013 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
- 60 (1) An application for the registration and transfer of the shares in the Company may be made either by the transferor or the transferee.
- (2) Whether the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

- (3) For the purpose of sub-clause (2), above, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

#### **To be executed by transferor and transferee**

- 61 Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. A common form of transfer shall be used.

#### **Transfer by legal representation**

- 62 A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution to the instrument of transfer.

#### **Transfer books when closed**

- 63 The Board of Directors may, after giving not less than seven days previous notice by advertisement as required by Section 91 of the Companies Act, 2013 or such lesser period as may be specified by the Securities Exchange Board of India close the Transfer Books, the Register of Members or the Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient to the Board.

#### **Directors may refuse to register transfers**

- 64 (a) Subject to the provisions of Sections 58 and 59 of the Companies Act, 2013 and other applicable provisions of the Act or any other law for the time being in force, the Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmissions by operation of law of the right to, any shares or debentures or interest of a Member in the Company. The Company shall within one month from the date of which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmissions, as the case may be, giving reasons for such refusal. PROVIDED THAT registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except if a company has lien on such shares. Transfer of shares/debentures in whatever lot shall not be refused.
- (b) No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, unless represented by a guardian.

#### **Notice of refusal to be given to transferor and transferee**

- 65 If the Company refuses to register the transfer of any shares or transmission of any right therein, the Company shall within thirty days from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and the transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 58 of the Companies Act, 2013, or any statutory modification thereof for the time being in force shall apply.

### **Death of one or more joint-holders of shares**

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

### **Titles to shares of deceased member**

- 67 Except where a deceased member had made a nomination in respect of the shares held (in which case such shares shall be dealt with in the manner prescribed by the Act and the Rules there under), the executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the names of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a succession certificate or the legal representative unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession Certificate as the case may be, from duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 71 the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member, as a member.

### **Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)**

- 68 Subject to the provisions of Articles 68 and 69 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as the Board of Directors shall require and upon giving such indemnity as the Directors shall require, either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors registered as a member in respect of such shares PROVIDED NEVERTHELESS that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee as instrument of transfer in accordance with the provision herein contained, and until he does so, he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE".

### **Refusal to register Nominee**

- 69 Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

### **Directors entitled to refuse to register more than four joint holders**

- 70 The Company shall be entitled to decline to register more than four persons as the holders of any share.

**Persons entitled may receive dividend without being registered as member**

- 71 A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other monies payable in respect of the share.

**Conditions of registration of transfer**

- 72 Prior to the registration of a transfer, the certificate or certificates of the share or shares to be transferred, and if no such certificate is in existence, the Letter of Allotment of the shares, must be delivered to the Company along with (save as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer, with the date of presentation of the instrument to the proper authorities, duly endorsed thereon.

**No fee on transfer or transmission**

- 73 No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.

**The Company not liable for disregard of a notice prohibiting registration of a transfer**

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

**COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS**

**Copies of Memorandum and Articles of Association to be sent by the Company to members**

- 75 The Company shall subject to the payment of the fee prescribed under Section 17 of the Companies Act, 2013, or its statutory modification for the time being in force, on being so required by a member, send to him with seven days of the requirement, a copy of each of the following documents as in force for the time being.
- (a) The Memorandum,
  - (b) The Articles, and
  - (c) Every agreement and every resolution referred to in sub-section (1) of Section 117 of the Companies Act, 2013, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.



## **BORROWING POWERS**

### **Power to borrow**

- 76 Subject to the provisions of Sections 177, 179 to 180 of the Companies Act, 2013 and of these Articles, the Board of Directors may, from time to time at its discretion, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company from any source. PROVIDED HOWEVER, where the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

### **The payment or repayment of monies borrowed**

- 77 The payment or repayment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of Resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of debentures of 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, and the debentures and the Debenture-Stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

### **Terms of issue of Debentures**

- 78 Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting, by a Special Resolution and subject to the permission of the Act.

### **Mortgage of uncalled capital**

- 79 If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

### **Register of charges etc. to be kept**

- 80 The Board of Directors shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Companies Act, 2013 of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 71 and Sections 77 to 87 (both inclusive) of the Companies Act, 2013, in that behalf to be duly complied with, so far as they are to be complied with by the Company. The Company shall comply with the provisions of Section 79 of the Companies Act, 2013 as regards modification of a charge and its registration with the Registrar.

### **Register and Index of Debenture-holders**

- 81 The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture Holders in accordance with Section 88 of the Companies Act, 2013. The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture-holders resident in the State or country.

### **MEETINGS OF MEMBERS**

#### **Annual General meeting**

- 82 (1) The Company shall in each year hold, in addition to any other meetings, a general meeting as its Annual General Meeting in accordance with the provisions of Sections 96 and 129 of the Companies Act, 2013 and shall specify the meeting as such in the notice calling it, except in the case where the Registrar, has given an extension of time for holding any annual general meeting and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. PROVIDED THAT the Registrar may, for any special reason, extend the time within which any annual general meeting shall be held, by a period not exceeding three months.
- (2) Every annual general meeting shall be called for any time during business hours, that is, between 9 a.m. and 6 p.m., on any day that is not a National Holiday (as defined under the Companies Act, 2013) and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated for the time being.
- (3) Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.

#### **Report, Statement and Registers to be laid before the annual general meeting**

- 83 At every annual general meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with Proxies, and the Register of Directors and Key Management Personnel maintained under Section 170 of the Companies Act, 2013.

#### **Extra-Ordinary General Meeting**

- 84 All general meetings other than annual general meeting shall be called Extra-Ordinary General Meeting.

#### **Annual Return**

- 85 (1) The Company shall comply with the provisions of Section 92 of the Companies Act, 2013 regarding the filing of Annual Return and as regards the annual return and certificates to be annexed thereto.

#### **Place of keeping & Inspection of registers & returns**

- (2) The Register required to be kept and maintained by the Company under Section 88 of the Companies Act, 2013 and copies of the annual return filed under Sections 92 of the Companies Act, 2013, shall be kept at the registered office of the

Company. PROVIDED THAT such registers or copies of return may, also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved for this purpose by a Special Resolution passed in general meeting of the Company and the Registrar has been given a copy of the proposed Special Resolution in advance.

### **Inspection**

- (3) (a) The registers and their indices, except when they are closed under the provisions of the Act, and the copies of all the returns shall be open for inspection by any member, debenture holder or other security holder or beneficial owner, during the business hours (subject to such reasonable restrictions as the Company may impose) without fee and by any other person on payment of such fees as may be prescribed under the Act and the rules made thereunder.
- (b) Any such member, debenture-holder, other security holder or beneficial owner or any other person may take extracts from any register, or index or return without payment of any fee or require a copy of any such register or entries therein or return on payment of such fees as may be prescribed under the Act on exceeding ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.
- (4) The Company shall cause any copy required by any person under Clause (b) of sub-clause (3) to be sent to that person within a period of seven days of the deposit of such fees exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.

### **Circulation of Members' Resolution**

- 86 (1) Subject to the provisions of Section 111 of the Companies Act, 2013, the Directors shall on the requisition in writing of such number of members as required in Section 100 of the Companies Act, :-
- (a) give notice to the members of the Company of any resolution which may properly be moved and is intended to be moved at a meeting;
- (b) Circulate to members, any statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.
- (2) Subject to the provisions of Section 100 of the Companies Act, 2013, the number of members necessary for a requisition under clause (1) hereof shall be such number or numbers who hold, on the date of receipt of the requisition, not less than one-tenth of the paid-up share capital of the Company as on that date carried the right of voting.
- (3) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless :
- (a) a copy of a requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company-

- (i) in the case of a requisition requiring notice of resolution, not less than six weeks before the meeting,
  - (ii) in the case of any other requisition not less than two weeks before the meeting, and
- (b) There is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto. PROVIDED that if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an annual general meeting is called on a date within six weeks after such copy has been deposited, the copy, although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.
- (4) The Company shall not also be bound under this Article to circulate any statement, if, on the application either of the Company or of any other person who claims to be aggrieved, the Central Government by order declares that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.

#### **Contents of requisition and number of requisitionists required and the conduct of meeting**

87 In case of requisition the following provisions shall have effect :

- (1) The requisition shall set out the matters for the consideration of which the meeting is to be called, and shall be signed by the requisitionists and sent to the registered office of the Company.
- (2) The number of members entitled to requisition an extraordinary general meeting shall be such number of members who hold at the date of the receipt of the requisition, not less than one-tenth of such of the paid up capital of the Company as on that date carries the right of voting.
- (3) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of receipt of the requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- (4) A meeting called under clause (3) by requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- (5) Any reasonable expenses incurred by the requisitionists in calling a meeting under sub-clause (3) shall be reimbursed to the requisitionists by the Company, and any sums so paid shall be deducted from any fee or other remuneration under Section 197 of the Companies Act, 2013 payable to such of the Directors who were in default in calling the meeting.

#### **Length of notice of meeting**

88 A general meeting of the Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed by the Act and the rules made there under. Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.

### **Contents and manner of service of notice**

- 89 (1) Every notice of a meeting of the Company shall specify the place, date, day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
- (2) The notice of every meeting shall be given to:
- (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;
  - (b) the Auditor or Auditors for the time being of the Company; and
  - (c) Every director of the Company.
- (3) In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote at the meeting is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member of the Company.

### **Special and ordinary business and explanatory statement**

- 90 (1) (a) In the case of an annual general meeting, all business to be transacted at the meeting, shall be deemed special with the exception of business relating to:
- (i) The consideration of financial statements and the reports of the Board of Directors and Auditors;
  - (ii) The declaration of any dividend;
  - (iii) The appointment of Directors in the place of those retiring; and
  - (iv) The appointment of, and the fixing of the remuneration of the Auditors
- (b) In the case of any other meeting, all business shall be deemed special;
- (2) PROVIDED that where any item of special business to be transacted at a meeting of the Company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, Director, manager, if any, and of every other key managerial personnel of the Company shall, if the extent of such shareholding interest is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.
- (3) Where any item of business refers to any document which is to be considered by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

### **Omission to give notice not to invalidate a resolution passed**

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



### **Notice of business to be given**

- 92 No general meeting, annual or extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.

### **Quorum**

- 93 The number of members prescribed under Section 103 of the Companies Act, 2013 and entitled to vote and present in person shall be a quorum for general meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013. The President of India or the Governor of a State, if he is a member of the Company, shall be deemed to be personally present if he is represented in accordance with Section 112 of the Companies Act, 2013.

### **Presence of quorum**

- 94 (1) If within half an hour from the time appointed for holding a meeting of the Company the quorum is not present, (a) the meeting shall stand adjourned to the same day in the next week at the same time and place or touch other day and at such other time and place as the Board may determine; or (b) the meeting, if called by requisitionists in accordance with Section 100 of the Companies Act, 2013, shall stand cancelled. Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under sub clause (a), the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.
- (2) If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum and may transact the business for which the meeting was called.

### **Resolution passed at adjourned meeting**

- 95 Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

### **Chairman of general meeting**

- 96 The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of their members to be a Chairman. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.

**Business confined to election of Chairman whilst chair vacant**

- 97 No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.

**Chairman may adjourn Meeting**

- 98 (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 from place to place.
- (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.

**Voting to be by show of hands in the first instance**

- 99 At any general meeting, a resolution put to the vote of the meeting shall unless a poll is demanded under Section 109 of the Companies Act, 2013, or the voting is carried out electronically, be decided on a show of hands.

**Chairman's declaration of result of voting on show of hands**

- 100 A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceeding of the Company shall be conclusive evidence of the fact of passing of such resolution, or otherwise, without proof of the number or proportion of votes in favour or against such resolution.

**Demand for poll**

- 101 (1) Before or on the declaration of result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on demand made in that behalf by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakh rupees or such higher amount as may be prescribed has been paid-up.
- (2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**Time of taking poll**

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

**Chairman's casting vote**

- 103 In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll (if any) have casting vote in addition to the vote or votes to which he may be entitled as a member.

### **Scrutinizers' at poll**

- 104 Where a poll is to be taken, the Chairman of the meeting shall appoint one scrutinizer to scrutinize the vote given on the poll and to report thereon to him. Subject to the provisions of Section 109 of the Companies Act, 2013, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

### **Demand for poll not to prevent transaction of other business**

- 105 The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

### **Vote by Postal Ballot**

- 106 Subject to the provisions of Section 110 of the Companies Act, 2013 and these Articles, and as may be applicable by law, the Company shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and may, in respect of any item of business, other than ordinary business and any business in respect of which directors or Auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting.

### **Special notice**

- 106A Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one percent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up and the Company shall give its members notice of the resolution in such manner as may be prescribed.

### **Registration of documents with the Registrar**

- 107 A copy of each of every resolutions or agreement in respect of the following matters together with the explanatory statement under Section 102 of the Companies Act, 2013, if any, annexed to the notice calling the meeting in which such resolution is proposed, shall be filed with the Registrar within thirty days of the passing or making thereof in such a manner and with such fees as may be prescribed within the time specified under Section 403 of the Companies Act, 2013:
- (a) Every special resolution.
  - (b) Every resolution which has been agreed to by all members of the Company, but which, if not so agreed to, would not have been effective for the purpose unless it had been passed as a special resolution.
  - (c) Every resolution of the Board of Directors or agreement executed by the Company relating to the appointment, re-appointment or renewal of appointment or variation in the terms of appointment of managing Director.
  - (d) Every resolution or agreement which has been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for the purpose unless it had been passed by a specified majority or

otherwise in some particular manner; and every resolution or agreement which effectively binds all the members or any class of shareholders though not agreed to by all those members.

- (e) Every resolution passed by the Company according consent to the exercise by the Board of Directors of any of the powers under clause (a), and clause (c) of sub-section (1) of the Section 180 of the Companies Act, 2013.
- (f) Every resolution requiring the Company to be wound up voluntarily passed in pursuance of Section 304 of the Companies Act, 2013.
- (g) Every resolution passed in pursuance of sub-section (3) of Section 179 of the Companies Act, 2013; and
- (h) Any other resolution or agreement as may be prescribed and placed in the public domain. Provided that the copy of every such resolution which has the effect of altering the Articles and the copy of every agreement referred to above shall be embodied in or annexed to, every copy of these Articles issued after the passing of the resolution or the making of the agreement.

### **VOTES OF MEMBERS**

#### **Member paying money in advance not to be entitled to vote in respect thereof**

- 108 A member paying the whole or a part of the amount remaining unpaid on any share held by them although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.

#### **Restriction on exercise of voting rights of members who have paid calls**

- 109 No member shall exercise any voting rights 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.

#### **Number of votes to which member entitled**

- 110 Subject to the provisions of Section 43 and sub-section (2) of Section 50 of the Companies Act, 2013, every member of the Company holding any equity share capital shall have a right to vote on every resolution placed before the Company; and his voting rights on a poll shall be in proportion to his share of the paid-up equity share capital of the Company. Every member holding any preference share capital of the Company, shall, in respect of such capital, have the right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares and any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and his voting rights on a poll shall be in proportion to his share in the paid up preference share capital of the Company. Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the Company.

### **Vote of member of unsound mind**

- 111 A member of unsound mind or in respect of whom 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.

### **Votes of joint members**

- 112 If there be joint registered holders of any shares any one of such persons may vote at any meeting personally or by an agent duly authorized under a Power of Attorney or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and, if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said persons so present who stands higher on the register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holder shall be entitled to be present at the meeting; provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorized under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect of such shares. Several executors or administrators or a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

### **Representation of body Corporate**

- 113 (1) A body corporate (whether a company within the meaning of the Act or not) may,
- (a) if it is member of the Company by a resolution of its board of directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company;
  - (b) if it is a creditor, (including a holder of debentures of the Company) by a resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of the Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.
- (2) A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.

### **Representation of President and Governors in meetings**

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



### **Votes in respect of deceased or insolvent members**

- 115 Any person entitled under the Transmission Clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

### **Voting in person or by Proxy**

- 116 Subject to the provisions of these Articles vote may be given either personally or by proxy.

### **Rights of members to use his votes differently**

- 117 On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- 118 Subject to the provisions of the Act and the rules made thereunder, any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself Provided that a proxy so appointed shall not have the right to speak at the meeting and shall not be entitled to vote except on a poll. Provided further that a person appointed as proxy shall act on behalf of such number of members not exceeding fifty and such number of shares as may be prescribed. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies and that the proxy need not be a member.

### **Proxy either for specified meeting or for a period**

- 119 An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting to be held before date specified in the instrument and every adjournment of any such meeting.

### **No proxy except for the corporation to vote on a show of hands**

- 120 No member present only by proxy shall be entitled to vote on a show of hands.

### **Deposit of instrument of appointment**

- 121 The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarial certified copy of that Power of Attorney or authority, shall be deposited at the office forty-eight hours before the time for holding the meetings at which the person named in the instrument proposes to Vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

### **Form of proxy**

- 122 Every instrument of proxy whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in the Companies (Management and Administration) Rules, 2014 (or any corresponding amendment or modification thereof that may be prescribed).

### **Inspection of proxies**

- 123 Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting, and ending with the conclusion of the meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days notice in writing of the intention so as to inspect is given to the Company.

### **Validity of votes given by proxy notwithstanding revocation of authority**

- 124 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 proxy or of any Power of Attorney or authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the commencement of the meeting, or adjourned meeting at which the proxy is used.

### **Time for objections to vote**

- 125 No objection shall be made to the qualification of any vote or to the validity of the vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting.

### **Chairman of any meeting to be the Judge of validity of any vote**

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

### **Custody of instrument**

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

## **DIRECTORS**

### **Number of Directors**

- 128 Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 149 and 151 of the Companies Act, 2013, the number of Directors shall not be less than 3 and not more than 15 and the manner of constituting the Board shall be as prescribed under the Act and as may be directed by the Securities and Exchange Board of India.

### **Debenture Directors**

- 129 Any Trust Deed for securing and covering the issue of debentures or debenture stocks of the Company, may provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture stocks, of some person to be a Director of the Company for and on behalf of the debenture holders for such period for

which the debentures or any of them shall remain outstanding and may empower such Trustees or holder of debentures or debenture stocks, from time to time, to remove and reappoint any Directors appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

### **Nominee Directors**

- 130 Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to (i) the Life Insurance Corporation of India (LIC), (ii) the Infrastructure Development Finance Company Limited, (iii) specified company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, (iv) institutions notified by the Central Government under sub-section (2) of Section 4A of the Companies Act, 1956, (v) such other institutions as may be notified by the Central Government in consultation with the Reserve Bank of India, or (vi) any other bank or entity providing financing facilities to the Company (each of the above is hereinafter in this Article referred to as "the Corporation") out of any loans/debentures assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains 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 Directors, 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/site 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, the 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 monies remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall, ipso facto, vacate such office immediately the monies owing by the Company to the Corporation are 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 the 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/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 to which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the 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/ provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation touch Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Provided further that in the event of any remuneration payable to the Nominee Director/s, by way of commission, salary or perquisites (other than sitting fees and reimbursement of actual expenses incurred by them in attending to Company's work) such remuneration shall be paid only with the prior approval of the Central Government under Section 309/310 of the Companies Act, 1956. Provided further that in the event of the Nominee Director/s being appointed as Managing Director/Whole-time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a Whole Time Director in the management of the affairs of the Company. Such Whole Time Directors shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation. Provided further that the appointment of Nominee Director/s as Managing/Whole Time Director/s, as aforesaid, is subject to the provisions of Sections 203 and 197 of the Companies Act, 2013 and any other applicable provisions of the Act and the rules made thereunder.

### **Special Directors**

- 131 In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorize such company, corporation, firm or person (hereinafter referred to as "Collaborator") to appoint from time to time any person as a Director of the Company (hereinafter referred to as "Special Director") and subject to the provisions of the Act, may agree that such Special Directors shall not be liable to retire by rotation so however that Special Director shall hold office so long as such collaboration arrangement remains in force. The Collaborator may at any time and from time to time remove such Special Director appointed by it and may at any time after such removal and also in the case of death or resignation of the person so appointed, at any time nominate any other person as a Special Director in his place and such nomination or removal shall be made in writing signed by the collaborator, his authorised representative and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one collaborator is so entitled there may be at any time as many Special Directors as the number of Collaborators eligible to make the appointment.

### **Limit on number of retiring Directors**

- 132 The provisions of Articles 130, 131, 132 and 133 are subject to the provisions of Section 152 of the Companies Act, 2013, and the number of such Directors appointed under Articles 131, 132, 133 and 168 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office. However, the Independent Director appointed under Section 152 of the Companies Act, 2013 will not be considered for the purpose of calculating the total number of directors liable for retirement by rotation and term of such Independent Director shall be as provided under Section 152 of the Companies Act, 2013.

### **Appointment of Alternate Director**

- 133 The Board may appoint a person, not being a person holding any alternate directorship for any other Director in the Company (hereinafter called the Original Director) to act as an Alternate Director for the Original Director during his absence for a period of not

less than three months from India. Provided that no person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an independent director under the provisions of the Act. Every such Alternate Director, shall subject this giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director is determined before he returns to India, any provision in the Act or in these Articles for the automatic-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

#### **Directors may fill Vacancies**

- 134 The Directors shall have power at any time and from time to time to appoint any qualified person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall retain his office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall thence eligible for re-election.

#### **Additional Director**

- 135 The Directors shall also have power at any time and from time to time to appoint any other qualified person, other than a person who fails to get appointed as a director in a general meeting of the Company, to be an Additional Director who shall hold office only up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

#### **Qualification of Directors**

- 136 A Director shall not be required to hold any qualification shares.

#### **Remuneration of Directors**

- 137 The remuneration payable to a non-whole-time-Director for attending each meeting of the Board or a Committee thereof shall be such sum as may be fixed by the Board of Directors not exceeding the maximum as may be prescribed by the Act (and the rules made thereunder), SEBI, or by the Central Government. The Directors, subject to the sanction of the Central Government (if any required), may be paid such further remuneration as the Company in general meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine; and in default of such determination shall be divided among the Directors equally.

#### **Extra remuneration to Directors for special Work**

- 138 Subject to the provisions of Sections 197 and 188 of the Companies Act, 2013 and other applicable provisions of the Act and the rules made thereunder, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors or in relation to signing share certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by fixed sum or otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided



### **Travelling expenses incurred by Directors on Company's business**

- 139 The Board of Directors may subject to the limitations provided by the Act allow and pay to any Directors who attends a meeting at a place other than his usual place or residence for the purpose of attending a meeting, such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.

### **Directors may act notwithstanding vacancy**

- 140 The Continuing Directors may act notwithstanding any vacancy in their body, but if and as long as their numbers reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, the Continuing Directors may act for the purpose of filling vacancies to increase the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company, but for no other purpose.

### **Disqualification for appointment of Directors**

- 141 (1) Subject to the provisions of Section 164 and 165 of the Companies Act, 2013, a person shall not be capable of being appointed Director of the Company, if –
- (a) he is of unsound mind and stands so declared by a Court of competent jurisdiction;
  - (b) he is an undischarged insolvent;
  - (c) he has applied to be adjudged an insolvent and his application is pending;
  - (d) he has been convicted by a court of any offence involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director of the Company.
  - (e) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
  - (f) he has been convicted of the offence dealing with related party transactions under Section 188 of the Companies Act, 2013 at any time during the last preceding five years; or
  - (g) He has not complied with sub-section (3) of Section 152 of the Companies Act, 2013.
- (2) No person who is or has been a director of a company, where the company—
- (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
  - (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

### **Vacation of office by Directors**

- 142 (1) Subject to the provisions of Section 167 of the Companies Act, 2013, the office of a Director shall become vacant if :
- (a) he incurs any of the disqualifications specified in Section 164 of the Companies Act, 2013;
  - (b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
  - (c) he acts in contravention of the provisions of Section 184 of the Companies Act, 2013, relating to entering into contracts or arrangements in which he is directly or indirectly interested;
  - (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Companies Act, 2013;
  - (e) he becomes disqualified by an order of a court or the Tribunal;
  - (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months: Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;
  - (g) he is removed in pursuance of the provisions of the Act;
  - (h) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

### **Removal of Directors**

- 143 (a) The Company may (subject to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and these Articles) by ordinary resolution remove any Director before the expiry of his period of office. Provided that nothing contained in this sub-clause shall apply where the Company has availed itself of the option given to it under Section 163 of the Companies Act, 2013, to appoint not less than two-thirds of the total number of directors according to the principle of proportional representation.
- (b) Special notice shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

- (d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so - (a) in the notice of the resolution given to the members of the Company, state the fact of the representations having been made, and (b) send a copy of the representations to every member of the Company to whom notice of the meeting is sent (before or after the receipt of the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting: Provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter, and the Tribunal may order the Company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.
- (e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board be filled by the appointment of another director in his stead at the meeting at which he is removed; Provided special notice of the intended appointment has been given. Director so appointed shall hold office till the date up to which his predecessor would have held office if head not been removed as aforesaid.
- (f) If the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions of the Act.
- (g) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.
- (h) Nothing contained in this Article shall be taken:
- i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director as per the terms of contract or terms of his appointments director, or of any other appointment terminating with that as director; or
  - ii) As derogating from any power to remove a Director under the provisions of the Act.

#### **Disclosure of Director's Interest**

- 144 (1) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors, in the manner provided in Section 184 of the Companies Act, 2013.
- (2) Every director of the Company who is in any way, whether directly or indirectly, concerned or interested in contract or arrangement or proposed contract or arrangement entered into or to be entered into—

- (i) with a body corporate in which such Director or such Director in association with any other Director, holds more than two per cent of the shareholding of that body corporate, or is a promoter, manager, chief executive officer of that body corporate; or
  - (ii) with a firm or other entity in which, such Director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting: Provided that where any Director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the First meeting of the Board held after he becomes so concerned or interested.
- (3) Nothing in this Article shall –
- (a) be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contract or arrangement with the Company;
  - (b) apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more of the Directors of the Company together holds or hold not more than two percent of the paid up share capital in other company.

**Board resolution necessary for certain contracts**

- 145 (1) Except with the consent of the Board of Directors of the Company (or the Audit Committee) given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Company, a Company shall not enter into any contract or arrangement with a related party with respect to,
- (a) sale, purchase or supply of any goods or materials;
  - (b) selling or otherwise disposing of, or buying, property of any kind;
  - (c) leasing of property of any kind;
  - (d) availing or rendering of any services;
  - (e) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
  - (g) Underwriting the subscription of any securities or derivatives thereof, of the company: Notwithstanding the provisions of this sub-clause (1) of this Article, where prescribed, the Company shall enter into such contracts and / or arrangements only with the prior approval of the members of the Company by a special resolution. However, no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party: It is clarified that this sub-clause shall not apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

- (2) Every contract or arrangement entered into under sub-clause (1) shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

Disclosure to the members of Director's interest in contract in appointing manager

146 If the Company –

- (a) enters into a contract for the appointment of a manager or a Managing Director of the Company in which contract any Director of the Company is in any way directly or indirectly concerned or interested, or
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Companies Act, 1956 or other applicable provisions of law shall be complied with.

#### **Loans to Directors etc.**

- 147 Subject to the provisions of Section 185 of the Companies Act, 2013, the Company shall not, directly or indirectly make any loan to any of its directors or to any other person in whom the director is interested or give any guarantee or provide any security in connection with a loan taken by him or such other person.

#### **Loans etc. to Companies**

- 148 The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the companies or bodies corporate under the same managements provided in Section 186 of the Companies Act, 2013.

#### **Interested Director not to participate or to vote In Board's proceedings.**

- 149 No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, it shall be void;

### **ROTATION & APPOINTMENT OF DIRECTORS**

- 150 Directors may be Directors of Companies promoted by the Company

A Director may be or become a Director of any 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 except in so far as Section 197 or Section 188 of the Companies Act, 2013 (and the rules made thereunder) may be applicable.

#### **Rotation of Directors**

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



### **Retirement of Directors**

- 152 Subject to the provisions of Section 284(5) of the Companies Act, 1956 or Section 169(5) and 169 (6) of the Companies Act, 2013, 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, or if their number is not three or a multiple of three the number nearest to one-third, shall retire from office. The Debenture Directors, Corporation Directors, Special Directors, or Managing Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.

### **Ascertainment of Directors retiring by rotation and filling of vacancies**

- 153 The Directors who retire by rotation under Article 156 at every annual general meeting shall be those who have been longest in office since their last appointment, but as between those who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.

### **Eligibility for re-election**

- 154 A retiring Director shall be eligible for the re-appointment.

### **Company to fill Vacancies**

- 155 Subject to the provisions of the Act, the Company at the annual general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.

### **Provisions in default of appointment**

- 156 (a) If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless –
- i) at the meeting or the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
  - ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
  - iii) he is not qualified or is disqualified for appointment; or
  - iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act,

### **Company may increase or reduce the number of Directors or remove any Director**

- 157 Subject to the provisions of Sections 149 and 152 of the Companies Act, 2013, the Company may, by special resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.

**Appointment of Directors to be voted Individually**

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

**Notice of candidature for office of Director except in certain cases**

- 159 (1) Subject to the provisions of the Act, a person, not being a Retiring Director in terms of Section 152 of the Companies Act, 2013, shall be eligible for appointment to the office of Director at any general meeting if hereo some other member intending to propose him has, at least fourteen days before the meeting, left at the registered office of the Company a special notice in writing under his hand signifying his candidature forth office of a Director or the intention of such member to propose him as a Director for office as the case may be along with the deposit of Rupees one lakh or such higher amount as may be prescribed which shall be refunded to such person or as the case may be, to the member, if the person succeeds in getting elected as a Director or secures more than 25% of the total valid votes cast either by way of show of hands or on poll on such resolution.
- (2) The Company shall inform its members of the candidature of the person for the office of Director in such manner as may be prescribed.
- (3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company, a notice under Section 160 of the Companies Act, 2013, signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.
- (4) A person other than :
- (a) A Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
- (b) An Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under section 161 of the Companies Act, 2013, appointed as a Director or re-appointed as an Additional or Alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

**Register of Directors etc. and notification of change to Registrar**

- 160 The Company shall keep at its registered office a Register containing the particulars of its Directors and key managerial personnel as specified in Section 170 of the Act, and shall send to the Registrar a Return containing the particulars specified in such Register, and shall otherwise comply with the provisions of the said Section in all respects.

## **MANAGING DIRECTOR, WHOLE TIME DIRECTOR**

### **Board may appoint Managing Director or Managing Director(s) or Whole Time Directors**

- 161 Subject to the provisions of Section 196, 203 and other applicable provision of the Companies Act, 2013, and these Articles, the Directors shall have power to appoint or re-appointment any person to be Managing Director, or Whole-Time Director for a term not exceeding five years at a time Provided that no re-appointment shall be made earlier than one year before the expiry of his term. Such managing Director can also act as chairperson of the Company.

### **What provisions they will be subject to**

- 162 Subject to the provisions of the Act and these Articles, the Managing Director, or the Whole Time Director shall also be eligible for retirement by rotation, even while he continues to hold that office, be subject to the same provisions as the resignation and removal as the other Directors of the Company and he and immediately cease to be a Managing Director or Whole Time Director if he ceases to hold the office of Director from any cause provided that if at any time the number of Directors (including Managing Director or Whole-time Directors) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Whole Time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in to the intent that the Directors so liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

### **Remuneration of Managing or Whole Time Director(s)**

- 163 The remuneration of the Managing Director, Whole Time Director, or Manager shall (subject to Section 197, 198 & Schedule V and other applicable provisions of the Companies Act, 2013 and of these Articles and of any contract between him and the Company) be fixed by the Directors from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits, or by fee for such meeting of the Board or by and for all these modes or any other mode not expressly prohibited by the Act.

### **Powers and duties of Managing and Whole Time Director(s)**

- 164 Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director(s) and/or Whole Time Director(s) appointed under Article 166 with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or Whole Time Director or Whole Time Directors such of the power hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or 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.

## PROCEEDINGS OF THE BOARD OF DIRECTORS

### Meeting of Directors

- 165 The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the proviso to Section 173 of the Companies Act, 2013 otherwise directs, shall so meet at least once in every one hundred and twenty days and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

### Notice of meetings

- 166 (1) Notice of every meeting of the Board of Directors shall be given in writing (including electronic means) to every Director for the time being in India, and at his usual address in India or Email id as provided by him to the Company, to every other Director.

### When meeting to be Convened

- (2) A Director may at any time and the Secretary upon the request of Director made at any time shall convene meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director. Notice may be given by telex or telegram or E-mail to any Director who is not in India.

### Quorum

- 167 (a) Subject to Section 174 of the Companies Act, 2013 the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and 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 at any meeting exceeds 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 quorum during such time.
- (b) For the purpose of clause (a) :
- (i) "Total Strength" of the Board of Directors of the Company shall be determined in pursuance of the Act, after deducting therefrom number of the Directors, if any, whose places may be vacant at the time, and
  - (ii) "Interested Directors" means any Director whose presence cannot by reason of Article 153 hereof or any other provisions in the Act count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

### Procedure when meeting adjourned for want of quorum

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

### **Chairman**

- 169 One of the Directors shall be the Chairman of the Board of Directors who shall preside at all meetings of the Board. If at any meeting the Chairman is not present at the time appointed for the meeting then the Directors present shall elect one of them as Chairman who shall preside.

### **Questions at Board meeting how decided**

- 170 Subject to provisions of Section 203, the Companies Act, 2013, and other applicable provisions of law, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of inequality of votes, the Chairman shall have second or casting vote.

### **Powers of Board Meetings**

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

### **Directors may appoint committees**

- 172 The Board of Directors may, subject to the provisions of Section 179 of the Companies Act, 2013, and other relevant provisions of the Act and these Articles, appoint committees of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.

### **Meeting of the Committee how to be Governed**

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

### **Circular Resolution**

- 174 (1) A resolution passed by circular without a meeting of the Board or a Committee of the Board appointed under Article 179 shall subject to the provisions of sub-clause (2) hereof and the Act be as valid and effectual as the resolution duly passed at meeting of, the Directors or of a Committee duly called and held.
- (2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution, has been circulated in draft together with necessary papers, if any, to all the Directors Or to all the members of the Committee then in India (not being less in number than in the quorum fixed for meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual addresses in India



in accordance with the provisions of Section 175(1) of the Companies Act, 2013, and has been approved by such of the Directors or members of the Committee as are in India or by majority of such of them as are entitled to vote on the resolution.

### **Acts of Board or Committee valid notwithstanding defect in appointment**

- 175 All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be 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 and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

## **POWERS OF THE BOARD**

### **Powers of Director**

- 176 Subject to the provisions of the Act, the business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in general meeting, subject nevertheless to these Articles to the provisions of the Act, or any other Act and touch regulations (being not inconsistent with the aforesaid regulations or provisions), as may be prescribed by the Company in general meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made, PROVIDED that the Board shall not, except with the consent of the Company by a special resolution in a general meeting:
- (a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;
  - (b) remit, or give time for the payment of any debt due by a Director;
  - (c) invest otherwise than in trust securities the amount of compensation received by the Company as a result of a merger or amalgamation;
  - (d) borrow money where the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of the paid up capital of the Company and its free reserves, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business); or,
    - (i) Provided that in respect of the matter referred to in sub-clause (d) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which monies may be borrowed by the Board under clause (d);
    - (ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term, cash credit arrangements, the discounting of bills and the issue of other short term loans of a reasonable character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

**Certain powers to be exercised by the Board only at meetings**

177 Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolution passed at the meetings of the Board :

- (a) to make calls on shareholders in respect of money unpaid on their shares;
- (b) To authorize buy-back of securities under Section 68 of the Companies Act, 2013;
- (c) to borrow monies;
- (d) to invest the funds of the Company;
- (e) to grant loans or give guarantee or provide security in respect of loans;
- (f) to approve financial statement and the Board's report;
- (g) to diversify the business of the Company;
- (h) to approve amalgamation, merger or reconstruction;
- (i) to take over a company or acquire a controlling or substantial stake in another company;
- (j) Any other matter which may be prescribed under the Act and the rules made thereunder.

Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors, Managing Director or any other principal officer of the Company, or in case of branch office of the Company principal officer of the branch office, the powers specified in (c), (d) and (e) of this sub-clause on such terms as it may specify.

**Certain powers of the Board**

178 Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the last preceding Article it is hereby declared that the Directors shall have the following powers that is to say, power:

- (1) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;
- (2) to pay and charge the capital account to the Company any commission or interest, lawfully payable there out under the provisions of Section 40 of the Companies Act, 2013 and other applicable provisions of law;
- (3) subject to Sections 179 and 188 of the Companies Act, 2013, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at or for price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

- (4) at their discretion and subject to the provisions of the Act to pay for any property, rights or privileges by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (5) to secure the fulfilments of any contracts or engagement entered into by the Company mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;
- (6) to accept from any member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (7) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;
- (8) to institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officer, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment on satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein;
- (9) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (10) to make and give receipts, release and other discharge for monies payable to the Company and for the claims and demands of the Company;
- (11) subject to the provisions of Sections 179, 180 and 185, of the Companies Act, 2013 and other applicable provisions of law, to invest and deal with any monies of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 187 of the Companies Act, 2013, all investments shall be made and held in the Company's own name;
- (12) 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 whether as principal or surety, 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 other powers, provisions, covenants and agreements as shall be agreed upon;
- (13) to determine from time to time who shall be entitled to sign, on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts, and documents and to give the necessary authority for such purpose;

- (14) to distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as a part of working expenses of the Company;
- (15) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and wives, widows, and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or crawls or by grants of money, pensions, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the applicable provisions of law to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- (16) before recommending any dividend, subject to the provision of Section 123 of the Companies Act, 2013, to set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation fund, or to insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Companies Act, 2013, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than share of this Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Boarding their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the capital monies of the Company might rightly be applied or expended; and to divide the reserve fund into such special funds as the Board may think fit; with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund and/or division of a reserve fund and with full power to employ and assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum;
- (17) to appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, 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 to fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amounts as they may think fit, and also from time to time to provide for the management and transaction of the affairs of the Company in specified locality in India or elsewhere in such manner as they think fit; and the provision contained in the next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;

- (18) to comply with the requirement of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;
- (19) from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Boards, and to fix their remuneration;
- (20) subject to Section 179 of the Companies Act, 2013, from time to time and at any time to delegate to any persons so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow monies; and to authorize the member for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any persons appointed, and may annul or vary any such delegation;
- (21) at any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow monies) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointments may (if the Board thinks fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any company, or the shareholders, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;
- (22) subject to the provisions of the Companies Act, 2013, for or in relation of any of the matters aforesaid or otherwise for the purposes of the Company 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;
- (23) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.



## MINUTES

### Minutes to be considered evidence

- 180 (1) The Company shall cause minutes of all proceedings of general meetings of any class of shareholders or creditors, and every resolution passed by postal ballot or by electronic means and every meeting of the Board of Directors or of every committee of the Board to be prepared and signed in such manner as may be prescribed and kept within thirty days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered.
- (2) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (3) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
- (4) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
- (a) the names of the Directors present at the meeting; and
  - (b) In the case of each resolution at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (5) Nothing contained in clauses (1) to (4) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
- (a) is or could reasonably be regarded as defamatory of any person;
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any mattering the minutes on the grounds specified in this sub-clause.

### Minutes to be evidence of the proceedings

- 181 The minutes of meeting kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein,

### Presumptions to be drawn where minutes duly drawn and signed

- 182 Where the minutes of the proceedings of any general meeting of the Company or of any meeting of the Board or a Committee of Directors have been kept in accordance with provisions of Section 118 of the Companies Act, 2013, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

### **Inspection of Minutes Books of General Meetings**

- 183 (1) The books containing the minutes or the proceedings of any general meeting of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Companies Act, 2013, be determined by the Company in general meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.
- (2) Any member of the Company shall be entitled to be furnished within seven working days after he has made request in that behalf to the Company and on payment of such sums as may be prescribed, with a copy of any minutes referred to in sub-clause (1) hereof.

### **Publication of report of proceedings of General Meeting**

- 184 No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Companies Act, 2013 to be contained in the minutes of the proceedings of such meetings.

## **MANAGEMENT**

### **Prohibition of simultaneous appointment of different categories of managerial personnel**

- 185 The Company shall not appoint or employ at the same time a Managing Director and a Manager.
- 186 Subject to the provisions of the Act -
- (i) a chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) a director may be appointed as chief executive officer, manager, Company secretary or chief financial Officer.
- 187 A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by it being done by or to the same person acting both as director and as, or in place of, the chief executive officer, manager, company secretary or chief financial officer.

### **The Seal, its custody and use**

- 188 (1) The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, under such regulations as the Board may prescribe.
- (2) the Seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of any two officials of the Company or such other person, the Board may appoint in that behalf who shall sign every instrument to which the Seal is affixed. Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014, and their statutory modifications for the time being in force.

## **DIVIDEND WARRANTS**

### **Division of profits**

- 189 (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any shares issued on terms provided that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

### **The Company in general meeting may declare dividend**

- 190 The Company in general meeting may declare dividends, to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.

### **Dividend out of profits only**

- 191 (1) No dividend shall be declared or paid by the Company for any financial year except (a) out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both; or (b) out of the monies provided by the Central Government or State government for the payment of dividend In pursuance or guarantee given by the Government.
- (2) For the purposes of sub-clause (1), the depreciation shall be provided in accordance with the provisions of Schedule II of the Companies Act, 2013.
- (3) No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.

### **Interim Dividend**

- 192 The Board of Directors may from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

### **Debts may be deducted**

- 193 The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

**Capital paid up in advance at interest not to earn dividend**

- 194 Where the capital is paid in advance of the 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.

**Dividends in proportion to amount paid up**

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

**Retention of dividends until in certain cases**

- 196 The Board of Directors may retain the dividend payable upon shares in respect of which any person under the Transmission Clause has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.

**No member to receive dividend whilst liberated to the Company and the Company's right of reimbursement thereof**

- 197 No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any member all such sums of monies so due from him to the Company.

**Effect of transfer of Shares**

- 198 A transfer of shares does not pass the right to any dividend declared Thereon before the registration of the transfer.

**Dividend to joint Holders**

- 199 Any one of several persons who are registered as joint holders of any share may give effectual receipt for all dividends or bonus and payments on account of dividends in respect of such share.

**Dividend how remitted**

- 200 The dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend or in case of joint-holders to the registered address of that one of the joint-holders which is first named on the register of members or to such person and to such address as the holder or the joint-holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receptor the fraudulent recovery of the dividend by any other means.

**Notice of dividend**

- 201 Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.

**Dividend to be paid within Thirty days**

- 202 (1) The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within Thirty days from the date of the declaration unless :
- (a) where the dividend could not be paid by reason of the operation of any law;
  - (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;
  - (c) where there is a dispute regarding the right to receive the dividend;
  - (d) where the dividend has been lawfully adjusted by the company against any sum due to it from the shareholder, or
  - (e) Where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
- (2) (a) where the dividend has been declared but which has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment thereof, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called “Unpaid Dividend Account of **NGL FINE-CHEM LIMITED**”
- (b) The Company shall, within a period of ninety days of making any transfer of an amount under sub clause(a) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed
  - (c) If any default is made in transferring the total amount referred to in sub-clause (1) or any part thereof to the Unpaid Dividend Account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.
  - (d) Any person claiming to be entitled to any money transferred under sub-clause (1) to the Unpaid Dividend Account of the Company may apply to the Company for payment of the money claimed.
  - (e) Any money transferred to the Unpaid Dividend Account of the Company in pursuance of this Article which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund of the Central Government.



- (f) the Company shall when making any transfer to the Investor Education and Protection Fund of the Central Government any unpaid or unclaimed dividend, furnish to such officer as the Central Government may appoint in this behalf a statement in the prescribed form seeing forth in respect of all sums included in such transfer, the nature of the sums, the names and last known addresses of the persons entitled to receive the sum, the amount to which each person is entitled and the nature of his claim thereto and such other particulars as may be prescribed.
- (g) No unclaimed or unpaid dividend shall be forfeited by the Board of Directors until the claim becomes barred by law.

## **CAPITALISATION**

### **Capitalisation**

- 203 (1) The Company in General Meeting may, upon the recommendation of the Board, resolve :
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the Profit and Loss Account or otherwise available for distributions; 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.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3), either in or towards:
- (i) paying up any amount for the time being unpaid on any shares held by such members respectively;
  - (ii) paying up in full unissued shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
  - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);
  - (iv) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (v) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

### **Fractional Certificates**

- 204 (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any, and
  - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power :
- (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions; and also
  - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an arrangement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) forth payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized to the amounts of any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on all such members.
- (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificate as they think fit.

## **ACCOUNTS**

### **Books to be kept**

- 205 (1) The Company shall prepare and keep at its registered office proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Companies Act, 2013, as would give a true and fair view of the state of affairs of the Company including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting: Provided that all or any of the books of accounts aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place. Provided further that the company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed.
- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of sub-clause (1) if proper books of accounts relating to the transactions affected at the branch are kept at that office and proper summarised returns made upto date at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub-clause (1). The books

of accounts and other books and paper maintained by the Company within India shall be open to inspection at the registered office of the Company or at such other place in India by any Director during business hours and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any Director subject to such conditions as may be prescribed: Provided that the inspection in respect of any subsidiary of the Company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.

- (3) The books of account of the Company relating to a period of not less than eight financial years immediately preceding a financial year, or where the Company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order: Provided that where an investigation has been ordered in respect of the Company under Chapter XIV of the Companies Act, 2013, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.

### **Financial Statements**

- 206 (1) The Board of Directors shall in accordance with Section 129, 133 and 134 of the Companies Act, 2013 and the rules made there under, cause to be prepared and laid before each annual general meeting, financial statements for the financial year of the Company which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
- (2) The financial statements of the Company shall give a true and fair view of the state of affairs of the Company and comply with the accounting standard notified under Section 133 of the Companies Act, 2013 and shall be in the form set out in Schedule III to the Companies Act, 2013. Provided that the items contained in such financial statements shall be in accordance with the accounting standards.
- (3) In case the Company has one or more subsidiaries, it shall, in addition to financial statements provided under sub-clause (1), prepare a consolidated financial statement of the Company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the company along with the laying of its financial statement under sub-section (1): Provided that the Company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in such form as may be prescribed: Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed. For the purposes of this sub-clause, the word "subsidiary" shall include associate company and joint venture.

### **AUDIT**

#### **Account to be audited**

- 207 Once at least in every year the accounts of the Company shall be audited and the correctness of the financial statements ascertained by one or more Auditor or Auditors.

### **Appointment of Auditors**

- 208 (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with the provisions of Chapter X of the Companies Act, 2013 and the rules made thereunder.
- (2) Subject to the provisions of Section 139 of the Companies Act, 2013, the Company shall at the first annual general meeting appoint an individual or a firm as an Auditor to hold office from conclusion of that meeting until the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the Company at such meeting shall be such as may be prescribed. Provided that the Company shall place the matter relating to such appointment for ratification by member sat every annual general meeting; Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be prescribed, shall be obtained from the auditor: Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided inspection 141 of the Companies Act, 2013: Provided also that the Company shall inform the auditor concerned of his or its appointment, and also file notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor disappointed. "Appointment" includes reappointment

### **DOCUMENTS AND NOTICES**

#### **Service of documents or notices on members by the Company**

- 209 (1) A document or notice may be served by the Company on any member thereof either personally or by sending it by registered post or by speed post or by courier service or by leaving it at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving documents or notice on him or by means of such electronic or other mode as may be prescribed.
- (2) A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.
- (3) A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register in respect of the share.
- (4) A document or notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter, addressed to them by name or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
- (5) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

### **To whom documents must be served or given**

- 210 Document or notice of every general meeting shall be served or given in the same manner hereinbefore authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the auditor or auditors for the time being of the Company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company under Article 93 a statement of material facts referred to in Article 93 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

### **Members bound by documents or notices served on or given to previous holders**

- 211 Every person who by operation of law, transfer or other means whatsoever, has become entitled to any share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derived his title to such share.

### **Service of documents on Company**

- 212 A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by Registered Post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed. Provided that where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.

### **Service of documents by Company on the Registrar**

- 213 Save as provided in the Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on the Registrar or any member by sending it to him at his office by post by Registered Post or by speed post or by courier or delivering it to or leaving it for him at his office, or by such electronic or other mode as may be prescribed. Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting. The term "courier" means a person or agency which delivers the document and provides proof of its delivery.

### **Registers and documents to be maintained by the Company**

- 214 The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following:
- (1) Register of Investments made by the Company but not held in its own name, as required by Section 187 (3) of the Companies Act, 2013, and shall keep it open for inspection by any member or debenture holder of the Company without charge.
  - (2) Register of Mortgages and Charges and copies of instrument creating any charge requiring registration according to Section 85 of the Companies Act, 2013, and shall keep them open for inspection by any creditor or member of the Company without fee and for inspection by any person on payment of a fee of rupee ten for each inspection.



- (3) Register and Index of Members as required by Section 88 of the Companies Act, 2013, and shall keep the same open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of a fee of rupees fifty for each inspection.
- (4) Register and Index of Debenture Holders or Security Holders under Section 88 of the Companies Act, 2013, and keep it open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of rupees fifty for each inspection.
- (5) Foreign Register, if so thought fit, as required by Section 88 of the Companies Act, 2013, and it shall be open for inspection and may be closed and extracts may be taken therefrom and copies thereof as maybe required in the manner, mutatis mutandis, as is applicable to the Principal Register.
- (6) Register of Contracts with related parties and companies and firms etc. in which Directors are interested as required by Section 189 of the Companies Act, 2013, and shall keep it open for inspection at the registered office of the Company during business hours by any member of the Company. The Company shall provide extracts from such register to a member of the Company on his request, within seven days from the date on which such request is made upon the payment of fee of ten rupees per page.
- (7) Register of Directors and Key Managerial Personnel etc., as required by Section 170 of the Companies Act, 2013 and shall keep it open for inspection during business hours and the members of the Company shall have a right to take extracts therefrom and copies thereof, on a request by the members, be provided totem free of cost within thirty days. Such register shall also be kept open for inspection at every annual general meeting of the Company and shall be made accessible to any person attending the meeting.
- (8) Register of Loans, Guarantee, Security and Acquisition made by the Company as required by Section 186 (9) of the Companies Act, 2013. The extracts from such register may be furnished to any member of the Company on payment of fees of ten rupees for each page.
- (9) Books recording minutes of all proceedings of general meeting and all proceedings at meetings of its Board of Directors or of Committee of the Board in accordance with the provisions of Section 118 of the Companies Act, 2013.
- (10) Copies of Annual Returns prepared under Section 92 of the Companies Act, 2013, together with the copies of certificates and documents required to be annexed thereto. Provided that any member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register referred to sub-clause (3), (4) or (5), or the entries therein or the copies of annual returns referred to in sub-clause (10) above on payment of a fee of ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

## WINDING UP

### Distribution of assets

- 215 If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

### Distribution in specie or kind

- 216 (1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them as a Liquidator, with such sanction shall think fit.
- (2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed) by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or impart but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined upon, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 319 of the Companies Act, 2013.
- (3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.

### Right of shareholders in case of sales

- 217 A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said sanction.

## INDEMNITY

### Directors' and others' rights to indemnity

- 218 Subject to provisions of Section 197 of the Companies Act, 2013, every Director, or Officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor, shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay

all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in anyway in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.

**Director, Officer not responsible for acts of others**

- 219 Subject to the provisions of Section 197 of the Companies Act, 2013, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for insufficiency or deficiency of any of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damages arising from insolvency or tortuous act of any person, firm or company to or with whom any monies, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office Or in relation thereto unless the same shall happen through his own dishonesty.

**SECRECY CLAUSE**

**Secrecy Clause**

- 220 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 Director, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy and confidentiality in respect of all transactions and affairs of the Company and shall by such declaration pledge himself motto reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so fares may be necessary in order to comply with any of the provisions, in these presents contained.

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

- 221 No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director 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 Director; it would be inexpedient in the interest of the Company to disclose.

We the several persons, whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of these **Articles of Association** :

Names, address description and occupation of Subscribers	Signature of Subscriber	Name, Address and description of Witness
<p><b>NARAYAN GANESH LAWANDE</b> S/o GANESH NARAYAN LAWANDE 6, Anandven, Sahitya Sahwas CHS, Bandra (East), Bombay – 400 051. Industrialist.</p>	Sd/-	Sd/-  <b>BABU LAL JAIN</b> S/o. LATE SHRI HARAKCHAND JAIN 43, Onlooker Bldg., Sir Phirozsha Mehta Road, Bombay – 400 001. Chartered Accountant
<p><b>ARUN GANESH LAWANDE</b> S/o GANESH NARAYAN LAWANDE 449/18, Viram Mansion, King's Circle, Matunga, Bombay – 400 019. Service.</p>	Sd/-	
<p style="text-align: right;"><b>Total ...</b></p>		

THE COPY OF MUMBAI HIGH COURT ORDER DATED 28<sup>TH</sup> JANUARY 2005  
SANCTIONING THE SCHEME OF ARRANGEMENT OF SHARE CAPITAL

4841/05 M/s. Rajesh Shah & Co.

Certified Copy Rs. 1 60-00  
Additional Rs. 1  
Total Rs. 1 60-00

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 941 OF 2004.

CONNECTED WITH

COMPANY APPLICATION NO. 459 OF 2004.

In the matter of the Companies Act 1 of  
1956);

AND

In the matter of Sections 391 and 394 of the  
Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation of  
ALPHA ORGANICS PRIVATE LIMITED and  
KONARAK TEXTILE INDUSTRIES PRIVATE  
LIMITED with NGL FINE CHEM LIMITED.

NGL FINE CHEM LIMITED, a company )  
incorporated under the Companies Act, 1956 )  
having its registered office at W142C TTC, MIDC )  
Industrial Area, Pawane Village, Off Thane )  
Belapur Road, Navi Mumbai 400 705. ) ... Petitioner Company.

Coram : S. U. Kamdar J.

Date : 28<sup>th</sup> January, 2005.

UPON the Petition NGL FINE CHEM LIMITED the Petitioner Company  
abovenamed presented to this Honourable Court on 13<sup>th</sup> day of December, 2004 for  
sanction of the Scheme of Amalgamation of ALPHA ORGANICS PRIVATE  
LIMITED, (hereinafter referred to as "the First Transferor Company" or  
"AOPL") and KONARAK TEXTILE INDUSTRIES PRIVATE LIMITED  
(hereinafter referred to as "the Second Transfer Company" or "KTIPL") with NGL  
FINE CHEM LIMITED, (hereinafter referred to as "the Transferee Company" or  
"NGL" or "the Petitioner Company") AND for other consequential reliefs as  
mentioned in the Petition AND the said Petition being this day called on for hearing



and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Rahul J. Nachane, Director of the Petitioner Company solemnly affirmed on 13<sup>th</sup> day of December, 2004 verifying the said Petition AND UPON READING the affidavit of Mr. Hannant Jadhav, Clerk in the office of the Rajesh Shah & Co., Advocates for the Petitioner Company dated 29<sup>th</sup> day of December, 2004 proving publication of the Notice of hearing of the Petition in the issue of "Free Press Journal" dated 23<sup>rd</sup> day of December, 2004 and "Navshakti" dated 23<sup>rd</sup> day of December, 2004 and also proving service of notice upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai and also proving dispatch of Individual notices of the hearing of the Petition to remaining Unsecured Creditors of the Petitioner Company ~~individual notices of the date of passing of the~~ ~~Order~~ whose consents have not been obtained AND UPON READING the Order dated 21<sup>st</sup> day of October, 2004 made by this Hon'ble Court in Company Application No. 459 of 2004 whereby the Petitioner Company was directed to convene the meeting of the Equity Shareholders of the Petitioner Company on 3<sup>rd</sup> day of December, 2004 at 12:00 noon for the purpose to consider and approve the proposed Arrangement embodied in the Scheme of Amalgamation of ALPHA ORGANICS PRIVATE LIMITED, the First Transferor Company and KONARAK TEXTILE INDUSTRIES PRIVATE LIMITED, the Second Transferor Company with NGL FINE CHEM LIMITED, the Petitioner Company And the procedure prescribed under Section 101<sup>(2)</sup> of the Companies Act, 1956 was dispensed with in view of the averment made in para 21 and 23 of the affidavit in support of Company Application No. 459 of 2004 however Petitioner Company was directed to move Special Resolutions in the meeting of Equity Shareholders pursuant to the provision of the Section 100 for reduction and reorganization/restructuring of the Equity Share Capital of the Petitioner Company as per clause 9.1 and 10.2 of the Scheme of Amalgamation AND UPON READING the Affidavit of Mr. Rahul J. Nachane, ~~Director~~ <sup>Chairman</sup> of the meeting of the Equity Shareholders of the Petitioner Company dated 22<sup>nd</sup> day of November, 2004 proving the publication of the notice convening the meeting of the Equity Shareholders of the Petitioner Company in the issue of The Free Press Journal dated 9<sup>th</sup> day of

November, 2004 and Navshakti dated 9<sup>th</sup> day of November, 2004 and also proving dispatch of notices convening the meeting to the Equity Shareholders AND UPON READING the Report dated 13<sup>th</sup> day of December, 2004 of Mr. Rahul J. Nachane, Director of the Petitioner Company and the Chairman of the meeting of the Equity Shareholders of the Petitioner Company as to the result of the said meeting AND UPON READING the affidavit of Mr. Rahul J. Nachane, dated 13<sup>th</sup> day of December, 2004 verifying the said report AND IT APPEARS from the report of the Chairman of the meeting of Equity Shareholders of the Petitioner Company that the arrangement embodied in the Scheme of Amalgamation of ALPHA ORGANICS PRIVATE LIMITED, the First Transferor Company and KONARAK TEXTILE INDUSTRIES PRIVATE LIMITED, the Second Transferor Company with NGL FINE CHEM LIMITED, the Petitioner Company being Exhibit "G" to the said Petition and also in Schedule hereto as also Special Resolutions have been approved by the Equity Shareholders of the Petitioner Company present at the meeting unanimously and the meeting of the Secured Creditor of the Petitioner Company to consider and approval the Scheme of Amalgamation of ALPHA ORGANICS PRIVATE LIMITED, the First Transferor Company and KONARAK TEXTILE INDUSTRIES PRIVATE LIMITED, the Second Transferor Company with NGL FINE CHEM LIMITED, the Petitioner Company was dispensed with in view of the consent given by the only Secured Creditor of the Applicant Company, which is annexed as Exhibit "H-1" to the affidavit in support of the Company Application No.459 of 2004 and the meeting of the Unsecured Creditors of the Petitioner Company to consider and approve the proposed scheme of Amalgamation of the First Transferor Company and the Second Transferor Company with the Petitioner Company was dispensed with in view of the consent given by 92.8% in value of Unsecured Creditors of the Petitioner Company which are annexed as Exhibit 'I-1' to 'I-43' to the affidavit in support of Company Application No. 459 of 2004 and in view of undertaking given by the Petitioner Company to give notice of hearing of the Petition to the remaining  
\* Unsecured Creditors <sup>have</sup> whose consent ~~has~~ not been obtained AND UPON READING  
\* affidavit dated 27<sup>th</sup> day of January, 2005 of Mr. Chakradhara Paik, the Regional



Director, Western Region, Department of Company Affairs, stating that the Scheme is not prejudicial to the interest of Shareholders and Creditors of the Petitioner Company AND UPON HEARING Mr. Rajesh Shah instructed by M/S RAJESH

Mr. C.J. Joy with  
SHAH & CO., Advocates for the Petitioner Company and Mr. R.C. Master, Panel  
and Mr. M.M. Goswami, Panel

Counsel instructed by Dr. T. C. Kaushik, for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai who appears in pursuance of the notice herein dated 17<sup>th</sup> day of December, 2004 under section 394 (A) of the Companies Act, 1956 and submits to the order of the Court AND no other person or persons

entitled to appear at the hearing of the Petition appearing this day either in support of the Petition or to show cause against the same THIS COURT DOTH HEREBY

SANCTION the Arrangement embodied in the Scheme of Amalgamation of ALPHA ORGANICS PRIVATE LIMITED, the First Transferor Company and KONARAK TEXTILE INDUSTRIES PRIVATE LIMITED, the Second Transferor Company with NGL FINE CHEM LIMITED, the Petitioner Company as set forth in Exhibit 'G' to the Petition and also in the schedule 'I' hereto AND THIS COURT DOTH HEREBY DECLARE the same to be binding on

the Petitioner Company and the Transferor Companies and also on their respective Members/ Shareholders and Creditors AND THIS COURT DOTH ORDER that upon the coming into effect of this Scheme and with effect from 1st day of April, 2004 (hereinafter referred to as the "Appointed Date") the entire undertaking of Transferor Companies shall, pursuant to the provisions of Section 394 and other

or  
applicable provisions of the Act and without any further act/deed, stand transferred to and vested in, or deemed to be transferred to and vested in the Transferee Company so as to become the property of Transferee Company AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date, all the debts, liabilities, duties and obligations of the Transferor Companies shall, without any further act or deed, be and stand transferred to the Transferee Company pursuant to the applicable provisions of the said Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures,



agreements and other instruments of whatever nature to which the Transferor Companies are a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto AND THIS COURT DOTH FURTHER ORDER that if any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Companies are pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Companies or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made and on and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Companies AND THIS COURT DOTH FURTHER ORDER that all the staff, workmen and other employees in the service of the Transferor Companies immediately before the transfer of the Undertaking under the Scheme shall become the staff, workmen and employees of the Transferee Company on the basis that and their service shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking and the terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer AND THIS COURT DOTH FURTHER ORDER Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the First Transferor Company in the Petitioner Company in terms of the Scheme, the Petitioner Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 6.20 Equity Shares of Rs5/- each, credited as fully paid-up in the capital of Petitioner Company to all Equity Shareholders of AOPL, whose names appear in the Register of Members, on a date



to be fixed by the Board of Petitioner Company, for every 1 Equity Share of the face value of Rs.1/- each held by the Shareholders of the First Transferor Company and Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Second Transferor Company in the Petitioner Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 2.40 Equity Shares of Rs.5/- each, credited as fully paid-up in the capital of Petitioner Company to all Equity Shareholders of KTIPL, whose names appear in the Register of Members, on a date to be fixed by the Board of Petitioner Company, for every 1 Equity Share of the face value of Rs. 10/- each held by the Shareholders of the Second Transferor Company and Upon the Scheme becoming finally effective, KTIPL Shares held by the Petitioner Company shall stand cancelled and Upon the Scheme becoming finally effective, in consideration of the Shares held by the First Transferor Company into the Second Transferor Company, the Petitioner Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 0.156 Equity Share of Rs. 5/- each, credited as fully paid up in the capital of the Petitioner to all Equity Shareholders of the First Transferor Company whose names appear in the Registered Member, on a date to be fixed by the Board of Petitioner Company for every one equity share of face value of Rs. 1/- each held by the shareholders of the First Transferor Company AND THIS COURT DOETH FURTHER ORDER that the reduction of Share Capital of the Petitioner Company resolved on and effected by Special Resolution passed at the meeting of the Equity Shareholder of the Petitioner Company held on 3<sup>rd</sup> December, 2004 which resolution was in word and figure following viz.

"RESOLVED THAT pursuant to provisions of Section 78, 100 to 104 and other applicable provisions, if any, of the Companies Act, 1956, and subject to confirmation of Court, consent of the Company be and is hereby accorded to the reduction of Share Premium Account from Rs. 173.70 lacs to Rs. 11.74 lacs and to effect such reduction by setting off its accumulated losses in the Profit and Loss account against the Share Premium account



"RESOLVED THAT pursuant to the provisions of section 100 and all other applicable provisions, if any, of the Companies Act, 1956 and Article 55 of the Articles of Association of the Company and subject to the sanction by the Hon'ble High Court of Judicature at Bombay or any other appropriate authority under the Companies Act, 1956 ("the Act"), of the Scheme of Amalgamation presented to the Court under Company Application No. 459 of 2004, the issued, subscribed and paid up Equity Share Capital of the Applicant/ Transferee Company shall stand cancelled and reduced from the Appointed date i.e. 1<sup>st</sup> April, 2004 and the issued, subscribed and paid up capital of the Applicant/ Transferee Company is of Rs. 3,00,00,000/- consisting of 30,00,000 Equity Shares of Rs. 10/- each fully paid up shall be reorganized/ restructured to Rs. 1,50,00,000/- by effecting a reduction of Rs. 5/- per share in the paid up value of Rs. 10/- per share and the differential amount of Rs. 1,50,00,000/- arising on the re-organization of the issued and subscribed Equity shares as stated above shall be credited to Capital Reserve Account of the Applicant/ Transferee Company and the paid up share capital shall also be reduced to proportion to the above & reduction in the issued and subscribed capital of the Applicant/ Transferee company and under and pursuant to the scheme, no fractional Shares shall be issued by the Applicant/ Transferee Company "NGL" in respect of the fractional shares, if any, arising out of such allotment shall be rounded off to the nearest complete share." and Clause V of the Memorandum of Association of the Company be altered by substituting the words and figures "Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each" by "Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 1,00,00,000 Equity Shares of Rs. 5/- (Rupees Five only) each and the consequential amendment in Article 5(a) of the Article of Association of the Company be also made."

be and the same in hereby confirmed AND THIS COURT DOTH FURTHER ORDER that the form of minutes annexed as Exhibit "J" to the Petition as also annexed as Schedule "II" be and is hereby approved AND THIS COURT DOTH FURTHER ORDER that order sanctioning the Scheme of Amalgamation be deemed to be an order confirming the reduction of shares premium account of the

Petitioner Company within the meaning of Section 102 of Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that order sanctioning the Scheme of amalgamation be deemed to be an order confirming the resolution of share premium account of the Petition Company within the meaning of Section 102 of the Companies Act, 1956 AND THIS COURT DOTH HEREBY FURTHER ORDER that the Petitioner Company do within 30 days from the date of sealing of the order cause a certified copy of the order sanctioning the Scheme of Amalgamation including the minute to be delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and the Registrar of Companies, Maharashtra, Mumbai shall transfer all files, documents, records relating to the Transferor Companies and register with him on the files, documents, records kept by him relating of the Transferee Company and shall consolidate the files of the both the Companies accordingly AND THIS COURT DOTH FURTHER ORDER that liberty is reserved to the Petitioner Company and all other persons interested in this Petition to apply to this Hon'ble Court herein as and when occasion may arise for any direction that may be necessary in regard to the working of the Arrangement embodied in the Scheme of Amalgamation sanctioned herein and set forth in the schedule 'I' hereto AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs. 2500/- (Rupees Two Thousand Five Hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the cost of the Petition WITNESS SHRI DALVEER BHANDARI the Hon'ble the Chief Justice at Bombay aforesaid this 28<sup>th</sup> day of January, 2005.

BY THE COURT,

FOR PROTHONOTARY AND SENIOR MASTER

Sealer

Dated this 22<sup>nd</sup> day of February 2005

21



ORDER sanctioning the scheme of }  
Amalgamation under Section 391 and 394 of the }  
Companies Act, 1956 drawn on the Application }  
by M/s RAJESH SHAH & CO., Advocates for the }  
Petitioner, having their office at 16, Oriental }  
Building, 30, Nagindas Master Road, Flora }  
Fountain, Mumbai -400 001. }

SCHEDULE I & II

*K*

The following information is being furnished to you for your information. It is requested that you advise the Bureau of any changes in the information furnished herein. This information is being furnished to you for your information only and is not to be used for any other purpose. It is requested that you advise the Bureau of any changes in the information furnished herein.

CONFIDENTIAL

**SCHEDULE-I**  
**SCHEME OF AMALGAMATION**  
**OF**  
**ALPHA ORGANICS PRIVATE LIMITED**  
**AND**  
**KONARAK TEXTILE INDUSTRIES PRIVATE LIMITED**  
**WITH**  
**NGL FINE CHEM LIMITED**

**1. DEFINITIONS**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings :

- 1.1 ALPHA ORGANICS PRIVATE LIMITED, (hereinafter referred to as "The First Transferor Company" or "AOPL") means a Company incorporated under the Companies Act, 1956, whose Registered Office is situated at W41, MIDC Tarapur Industrial Area, Taluka Palghar, District Thane 401506, Maharashtra.
- 1.2 KONARAK TEXTILE INDUSTRIES PRIVATE LIMITED, (hereinafter referred to as "The Second Transferor Company" or "KTIPL") means a Company incorporated under the Companies Act, 1956, whose Registered Office is situated at 2, Metalage Industrial Compound, Subhash Road, Jogeshwari (East), Mumbai 400060, Maharashtra.
- 1.3 NGL FINE CHEM LIMITED, (hereinafter referred to as "The Transferee Company" or "NGL") a Company incorporated under the Companies Act, 1956, whose Registered Office is situated at W142C TTC, MIDC Industrial Area, Pawane Village, Off Thane Belapur Road, Navi Mumbai 400 705, Maharashtra.
- 1.4 "The Transferor Companies" means "the First Transferor Company" or "AOPL" together with "the Second Transferor Company" or "KTIPL".
- 1.5 "The said Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.



- 1.6 "The Appointed Date" means 1<sup>st</sup> April, 2004 or such other date as the High Court at Bombay may direct.
- 1.7 "The Effective Date" means the dates on which certified copies of the Order(s) of the High Court at Bombay vesting the assets, property, liabilities, rights, duties, obligations and the like of the Transferor Companies in the Transferee Company are filed with the Registrar of Companies, Maharashtra after obtaining the consents, approvals, permissions, resolutions, agreements, sanction and orders necessary therefore.
- 1.8 "Undertaking" shall mean  
All the assets and properties of "AOPL" and "KTIPL" as on the Appointed Date and  
All the debts, liabilities, duties and obligations of "AOPL" and "KTIPL" as on the Appointed Date (hereinafter referred to as "the said Liabilities")  
Without prejudice to the generality of sub-clause (a) above, the undertaking of the Transferor Companies shall include all the Transferor Companies Reserves, movable and immovable properties, assets, including lease-hold rights, tenancy rights, industrial and other licenses, permits, authorisations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities and equipments, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals.
- 1.9 "The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court at Bombay.

## 2. SHARE CAPITAL

- 2.1 The Authorised Share Capital of the First Transferor Company is Rs.5,00,000/- divided into 5,00,000 Equity Shares of Rs. 1/- each. The

issued, Subscribed and Paid up Share Capital is Rs. 5,00,000/- divided into 5,00,000 Equity Shares of Rs. 1/- each fully paid-up.

2.2 The Authorised Share Capital of the Second Transferor Company is 20,00,000/- divided into 1,00,000 equity shares of Rs. 10/- each and 1,00,000 unclassified shares of Rs. 10/- each. The issued, Subscribed and Paid up Share Capital is Rs. 6,50,100/- divided into 65,010 equity shares of Rs. 10/- each fully paid up.

2.3 The Authorised Share Capital of the Transferee Company is Rs. 5,00,00,000/- comprising of 50,00,000 Equity Shares of Rs. 10/- each. The issued, Subscribed and Paid up Equity Share Capital is Rs. 3,00,00,000/- comprising of 30,00,000 Equity Shares of Rs.10/- each fully paid up.

### 3. TRANSFER OF UNDERTAKING

3.1 With effect from the opening of business as on the Appointed Date, the Undertaking of the Transferor Companies shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the said Act.

PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective or otherwise.

3.2 The transfer and/or vesting of the properties as aforesaid shall be subject to the existing charges, hypothecation and mortgages, if any, over or in respect of all the said assets or any part thereof of the Transferor Companies.

*Provided that* the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Transferor



Companies which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.

3.3 With effect from the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the Reserves of the Transferor Companies shall be merged with those of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Companies. In other words, the identity of the Reserves of the Transferor Companies will be preserved at the hands of the Transferee Company.

3.4 With effect from the Appointed Date, all the said Liabilities of the Transferor Companies shall, without any further act or deed, be and stand transferred to the Transferee Company pursuant to the applicable provisions of the said Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company.

3.5 The transfer and vesting of the Undertaking of the Transferor Companies and continuance of the proceedings by the Transferee Company shall not affect any transactions or proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or proceedings already concluded by the Transferor Companies.

#### 4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Companies are a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may

be enforced as fully and as effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.

**5. LEGAL PROCEEDINGS**

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Companies are pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Companies or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Companies.

**6. OPERATIVE DATE OF THE SCHEME**

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

**7. TRANSFEROR COMPANIES STAFF, WORKMEN AND EMPLOYEES**

All the staff, workmen and other employees in the service of the Transferor Companies immediately before the transfer of the Undertaking under the Scheme shall become the staff, workmen and employees of the Transferee Company on the basis that :

- 7.1 Their service shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking;
- 7.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer; and



7.3 It is provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Companies are concerned, upon the scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Funds as per the terms provided in the respective trust deeds. It is the aim and intent that all the right, duties, powers and obligations of the Transferor Companies in relation to such funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the Transferor Companies under such Funds and Trusts shall be protected.

8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE

With effect from the Appointed Date and upto the Effective Date, the Transferor Companies :

- 8.1 shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Companies or losses arising or incurred by it shall, for all purposes, be treated as the profits or losses of the Transferee Company as the case may be ;
- 8.2 hereby undertakes to carry on its business until the Effective Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business;
- 8.3 shall not, without the written consent of the Transferee Company, undertake any new business.



9. UTILIZATION OF SHARE PREMIUM

9.1 The Balance of Share Premium Account in the book of NGL shall be reduced to the extent from Rs. 173.7 Lacs to Rs. 11.74 Lacs by setting off its Accumulated Losses in the Profit & Losses Account.

9.2 The application and consequential reduction of the Share Premium Account, as per clause 9.1 above, shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

10. REORGANISATION OF EQUITY SHARE CAPITAL OF THE TRANSFEREE COMPANY

10.1 Under and Pursuant to the provisions of this Scheme and Section 100 and all other applicable provisions of the Act, if any, the issued, subscribed and paid up Equity Share Capital of the Transferee Company shall stand cancelled and reduced from the Appointed Date.

10.2 The issued, subscribed and paid up capital of the Transferee Company of Rs. 3,00,00,000/- consisting of 30,00,000 equity shares of Rs. 10/- each fully paid up shall be re-organized/ restructured to Rs. 1,50,00,000/- by effecting a reduction of Rs. 5/- per share in the paid up value of Rs. 10/- per share and simultaneously. The differential amount of Rs. 1,50,00,000/- arising on the re-organisation of the issued and subscribed equity shares as stated above shall be credited to Capital Reserve Account of the Transferee Company. The paid up share capital shall also be reduced to proportion to the above reduction in the issued and subscribed capital of the Transferee Company.

10.3 The Transferee Company shall obtain the necessary approvals from its shareholders and creditors as required under Section 100 in terms of this Scheme only and the Transferee Company shall not be obliged to call for a separate meeting of its shareholders and creditors for obtaining their

approval sanctioning the reduction of issued subscribed and paid up equity share capital as contemplated herein.

- 10.4 Reorganisation of share capital of the Transferee Company will be effected before the shares of the Transferee Company are issued to the shareholders of the Transferor Companies as mentioned in Clause 11 hereinafter.

## 11. ISSUE OF SHARES BY THE TRANSFEE COMPANY

11.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the First Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 6.20 Equity Shares of Rs5/- each, credited as fully paid-up in the capital of Transferee Company to all Equity Shareholders of AOPL, whose names appear in the Register of Members, on a date to be fixed by the Board of Transferee Company, for every 1 Equity Share of the face value of Rs.1/- each held by the Shareholders of the First Transferor Company.

11.2 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Second Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 2.40 Equity Shares of Rs.5/- each, credited as fully paid-up in the capital of Transferee Company to all Equity Shareholders of KTIPL, whose names appear in the Register of Members, on a date to be fixed by the Board of Transferee Company, for every 1 Equity Share of the face value of Rs. 10/- each held by the Shareholders of the Second Transferor Company.

11.3 Upon the Scheme becoming finally effective, KTIPL Shares held by the Transferee Company shall stand cancelled.



11.4 Upon the Scheme becoming finally effective, in consideration of the Shares held by the First Transferor Company into the Second Transferor Company, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 0.156 Equity Share of Rs. 5/- each, credited as fully paid up in the capital of the Transferee to all Equity Shareholders of the First Transferor Company whose names appear in the Registered Member, on a date to be fixed by the Board of Transferee Company for every one equity share of face value of Rs. 1/- each held by the shareholders of the First Transferor Company.

11.5 If necessary, the Transferee Company shall, before allotment of the equity shares in terms of the Scheme, increase its authorized capital by the creation of at least such number of equity shares of Rs. 1/-each as may be necessary to satisfy its obligations under the Scheme.

11.6 No fractional Share shall be issued by the Transferee Company in respect of the fractional Share entitlement, if any, arising out of such allotment shall be rounded off to the nearest complete Share.

## 12. PROFITS, DIVIDENDS, BONUS/ RIGHTS SHARES

12.1 With effect from the Appointed date, The Transferor Companies shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any dividend, and shall also not utilize, adjust or claim adjustment of profits/ losses, as the case may be earned/ incurred or suffered after the appointed date.

12.2 The Transferor Companies shall not after the Appointed date, issue or allot any further securities, either rights or bonus or otherwise without the prior written consent of the Board of Directors of the Transferee Company except to the extent of issue of 40,000 equity shares of Rs. 1/- each by the First Transferor Company.

## 13. ACCOUNTING TREATMENT

- 13.1 The Transferee Company shall record all assets and liabilities of Transferor Company transferred to and /or vested in the Transferee Company pursuant to the Scheme at their book values
- 13.2 The excess, if any, of the value of the assets over the aggregate value of the liabilities of the Transferor Company and the face value of the equity shares of the Transferor Company issued on amalgamation to the shareholders of the Transferor Company shall be credited by the Transferee Company to Amalgamation Reserve Account, which shall be treated as free reserve. Deficit, if any, shall be treated as Goodwill.
- 13.3 The difference arising on reorganization of share capital of the Transferee Company as contained in Clause 10 above, be credited to Capital Reserve Account.
- 13.4 The Amalgamation Reserve would further be debited by diminution, if any, in the value of investment, loans and advances, debtors and creditors of the Transferor Company as determined by the Board of Directors of the Transferee Company.
- 13.5 All expenses as and when incurred in relation to the preparation and implementation of the Scheme shall be charged to the profit and Loss account of the Transferee Company.
- 13.6 In case of any differences in the accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Amalgamation Reserve of the Transferee Company to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policy.
- 13.7 The balance in the Amalgamation Reserve after recording the entries as above will be created or debited to the profit and loss Account as the case may be.

#### 14. APPLICATIONS TO HIGH COURTS

The Transferor Companies and the Transferee Company hereto shall, with all reasonable despatch, make applications under Sections 391 and 394 of the



said Act to the High Court of judicature at Bombay for sanctioning the Scheme and for dissolution of the Transferor Companies without winding up.

**15. DISSOLUTION OF THE TRANSFEROR COMPANIES**

On the Scheme becoming effective, the Transferor Companies shall be dissolved without being wound up.

**16. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

16.1 The Transferor Companies (by its Directors) and the Transferee Company (by its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.

16.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are hereby authorised to give such directions and/or to be take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

**17. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

The Scheme is conditional on and subject to:

17.1 The approval to the Scheme by the requisite majorities of the members of the Transferor Companies and of the members and creditors of the Transferee Company.

17.2 The requisite resolution (s) under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme including approval to the issue and allotment of Equity Shares in the Transferee Company to the members of the Transferor Companies, as may be necessary or desirable.



- 17.3 The sanction of the High Court of Judicature at Bombay under Sections 391 and 394 of the said Act, in favour of the Transferor Companies and the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained.
- 17.4 Any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Companies and the Transferee Company being obtained and granted in respect of any of the matter for which such sanction or approval is required.
- 17.5 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority including Reserve Bank of India, which by law may be necessary for the implementation of this Scheme.

**18. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS**

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 31<sup>st</sup> day of March, 2005 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

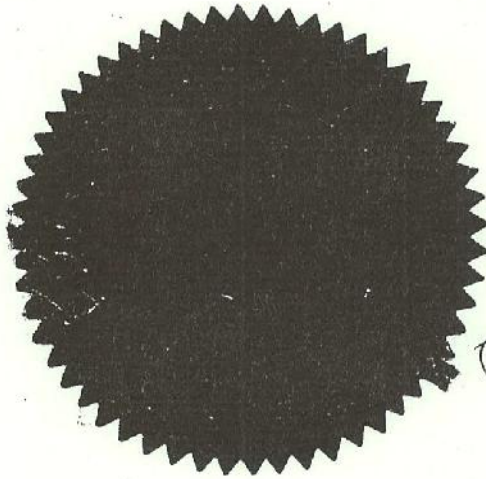
**19. EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertaking of the Transferor Companies in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

SCHEDULE II

FORM OF MINUTES

The Share Premium Account of the Petitioner Company be reduced from Rs. 173.7 Lacs to Rs. 11.74 Lacs to effect such reduction by setting off its accumulated losses in the Profit & Loss Account of the Petitioner Company against the Share Premium Account.



CERTIFIED TO BE A TRUE COPY

This day of 29/2/60

*[Signature]*  
24/10/105

By Secretary and Senior Member  
9







IN THE HIGH COURT OF JUDICATURE  
AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY PETITION NO. 941 OF 2004.

CONNECTED WITH  
COMPANY APPLICATION NO. 459 OF 2004.  
In the matter of the Companies Act, 1 of 1956 ;  
AND  
In the matter of Sections 391 and 394 of the  
Companies Act, 1956

AND  
In the matter of Scheme of Amalgamation of  
ALPHA ORGANICS PRIVATE LIMITED and  
KONARAK TEXTILE INDUSTRIES PRIVATE  
LIMITED with NGL FINE CHEM LIMITED.

NGL FINE CHEM LIMITED,

... Petitioner Company.

**CERTIFIED COPY OF**

ORDER SANCTIONING THE SCHEME OF  
AMALGAMATION

Dated this 28<sup>th</sup> day of January, 2005.

nd  
Filed on this 22 day of February, 2005.

Applied on 7-2-2005  
Engrossed on 22-2-2005  
Section Writer [Signature]  
Followed by .....  
Examined by [Signature]  
Compared with [Signature]  
Ready on 22-2-2005  
Delivered on .....

*Fee paid on 24/2/2005*  
Applied on 22/2/2005  
Engrossed on 24/2/2005  
Section Writer [Signature]  
Followed by 23 pages  
Examined by [Signature]  
Compared with [Signature]  
Ready on 24 FEB 2005  
Delivered on 24/2/05

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24 FEB 2005