

(THE COMPANIES ACT, 2013)

PUBLIC COMPANY LIMITED BY SHARES

## ARTICLES OF ASSOCIATION

OF

### H P COTTON TEXTILE MILLS LIMITED

**The following regulations in these Articles of Association were adopted pursuant to Member's resolution passed at 36<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2017 in substitution for and to entire exclusion of, earlier regulations comprised in the extant Articles of Association of the Company.**

#### PRELIMINARY

1. (a) The regulation contains in the Table marked 'F' in Schedule I of the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contain or expressly made applicable in these Articles or by the said Act. **Table "F" not to Apply**

- (b) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. **Company to be governed by these Articles**

2. Unless the context otherwise requires words or expressions contained interpretation in these Articles shall bear the same meaning as in the Act. **Interpretation**

The marginal notes here to shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith.

"The Act" means the Companies Act, 2013.

"These Articles" means these Articles of Association as originally framed or as from time to time altered by Special Resolution.

"Chief Executive Officer" means an officer of a Company, who has been designated as such by it.

"Chief Financial Officer" means a person appointed as the Chief Financial Officer of a Company.

"Committee (s)" shall mean the duly constituted committee(s) of the Board.

"The Company" means H P COTTON TEXTILE MILLS LIMITED.

"The Directors" means the Directors of the Company for the time being.

"Managing Directors" shall mean and include Joint Managing Director and Deputy Managing Director.

"The Office" means Registered Office of the Company and includes "Corporate Office" for the time being.

"The Register" means the Register of Members to be kept pursuant to Section 88 of the Act.

"Dividend" includes bonus but excludes Bonus Shares.

"Independent Director" means an independent director referred to in sub-Section (5) of Section 149 of the Act.

"Key Managerial Personnel", in relation to a Company, means:

- (i) The Chief Executive Officer or the Managing Director, or the Manager;
- (ii) the Company Secretary;
- (iii) The whole-time director;
- (iv) the Chief Financial Officer;
- (v) such other officer not more than one level below the directors who is in whole-time employment, designated as Key managerial personal by the Board; and
- (vi) such other officer as may be prescribed.

"Month" means calendar month.

"Year" means a calendar year and "Financial Year" shall have the meaning assigned thereto in Section 2(41) of the Act.

"HSIDC" means Haryana State Industrial Development Corporation Limited.

"Co-promoter" means H P Cotton Textile Mills having its Office at 8723, Shidi Pura, New Delhi- 110015 who have been associated by the Corporation as Co-promoter for implementation of the project and shall include its nominees and associates.

"Projects" means the Cotton Spinning cum sewing thread Mill being set up in Assisted Sector in the State of

Haryana by HSIDC in collaboration with co-promoters and other set-up from time to time by the Company.

Promotional Agreement" means the agreement dated 19th January 1983, entered into between the Haryana State Industrial Development Corporation Limited and M/s. H.P. Cotton Textile Mills for implementing the Cotton Spinning cum sewing thread Mill in the Assisted Sector.

"Proxy" includes Attorney duty constituted under a Power of Attorney.

"Seal" means the Common Seal of the Company.

"In writing" and "written" shall include printing, lithography and other modes of representing or reproducing words in a visible form.

"Words importing the masculine gender also include the feminine gender.

"Words importing the singular number also include the plural number and vice-versa.

Words importing persons include corporation.

### **CAPITAL AND SHARES**

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| 3. | The Share Capital of the Company Rs.4,25,00,000 (Rupees Four Crore Twenty-Five Lacs) divided into 42,50,000 (Forty-Two Lacs Fifty Thousand) equity shares of Rs.10/- (Rupees Ten) each. (w.e.f. 08.09.84)  | <b>Share Capital</b>                      |
| 4. | (a) The Shares of the Company shall be under the control and at the disposal of the Board of Directors provided that till such time the public issue of shares of the Company is issued, allotted to and paid for, the shares shall be held in the ratio of 25:75 between HSIDC and Co-promoters provided till such time as aforesaid the subscribed capital shall not exceed 30% of the total share capital to be ultimately raised. Upon public issue of the shares the HSIDC and Co-promoters shall subscribe to and pay for such number of its Equity Shares as will bring their holding to 15% and 25% respectively of the total issued Capital of the Company. | <b>Control &amp; Equity Participation</b> |
|    | (b) Option on right to call of shares shall not be given to any person or persons except with the sanction of the company in General Meeting (w.e.f. 08.10.83)   | <b>Calls</b>                              |
|    | (c) In the eventuality of over-runs efforts will be made to raise money either by way of loan and/or by way  |   |

of additional issue of share Capital, provided that the HSIDC shall not subscribe further shares or give any loans to meet any over-run in the project cost.

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| 5.  | As regards all allotments made from time to time, the Directors shall duly comply with the provisions of the Act.  | <b>Return to allotment</b>                  |
| 6.  | The Company may, subject to compliance with the provisions of the Act, exercise the power of paying commission.  | <b>Commission for Placing shares</b>        |
| 7.  | The Company may pay on the issue of shares or debentures such brokerage as may be lawful.  | <b>Brokerage</b>                            |
| 8.  | Subject to the provisions of the Act, the Company may issue Preference Shares which are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company may determine.   | <b>Redeemable Preference Shares</b>         |
| 9.  | If, by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by the instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the member registered in respect of the shares or by his executor or administrator   | <b>Instalment on shares to be duty paid</b> |
| 10. | Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all instalments and calls in respect of such shares.  | <b>Liability of Joint holders of shares</b> |
| 11. | Not more than four persons shall be registered as joint holders of any share.  | <b>No. of Joint holders</b>                 |
| 12. | Subject to the provisions of the Act, the Company shall be entitled to treat the member registered in respect of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent Jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person. | <b>Trusts not recognized</b>                |

#### **CERTIFICATES**

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| 13. | The Certificate to title of shares and duplicates thereof when necessary shall be issued under the seal of the Company in accordance with the provisions of the Act and the Rules prescribed by the Central Government for the said purposes as in force from time to time. | <b>Certificates</b> |
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| 14. | Every member shall be entitled to one Certificate for all the shares registered in his name or if the Directors so approve several certificates each for one or more such shares.  | <b>Members rights to Certificate</b>                      |
| 15  | (A) 1. The certificates of shares registered in the name of two or more persons shall be delivered to the person first named in the Register. (16A.w.e.f. 29.09.2k)  | <b>To which of joint-holders certificate to be issued</b> |
|     | 2. The Company shall be entitled to dematerialise its existing shares, debentures and other securities, dematerialise its shares, debentures and other securities held in the Depository and/or offer its fresh shares and debentures and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any. (w.e.f. 08 10.83)  | <b>Dematerialisation of Securities</b>                    |
|     | 3. Every person subscribing to securities offered by the Company, and every Member or Debenture holder shall have the option to either hold the securities in the form of security, with a Depository when permitted. Where any holder of securities surrenders his certificate of Securities held in the Company in accordance with Section 6 of the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and participants) Regulations, 1996, the Company shall cancel the certificate and substitute in its records the name of the relevant Depository and inform the Depository accordingly. The Company shall maintain a record of certificate of securities that have been so dematerialised and destroyed. Such person who hold their securities with a Depository can at any time opt out of the Depository, if permitted by law, and the Company shall in such manner and within such time as prescribed by law. issue to such persons the requisite certificates of securities If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security. (w.e.f. 08 10 83) | <b>Options for Investors</b>                              |
|     | 4. All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 88, 89, 90 & 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners (w.e.f. 25.09.2017)   | <b>Securities in depositories to be fungible form</b>     |
|     | 5. (a) Notwithstanding anything to the contrary contained in the Act or this Article a Depository shall be deemed to be the registered owner for the   | <b>Rights of Depositories</b>                             |

purpose of effecting transfer of ownership of security on benefit of the beneficial owners. (w.e.f. 29.09.2k)

(b) Save as 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. (w.e.f. 29.09.2k)

(c) The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository. (w.e.f. 29.09.2k)

6. Notwithstanding anything in the Act of this Article to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs. (w.e.f. 29.09.2k)

#### **Service of documents**

7. For the purposes of this Article, the Registers & Indices of Members & Debenture holders shall be deemed to include the Registers and Indices of Beneficial Owners maintained under the Depositories Act, 1996 by every Depository in respect of securities issued by the Company (w.e.f. 29.09.2k)

#### **Register & Indices of Beneficial owners**

15. (B) 1. Notwithstanding anything contained herein, 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 in the event of death of the said member/s subject to the provisions of the Act and other applicable laws. (w.e.f. 29.09.2k)

#### **Nomination**

#### **CALLS**

16. The Directors may, from time to time, subject to the terms on which any shares may have been issued and subject to section 49 of the Act make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay at the amount of every call so made on him to the person and at the time and place appointed by the Directors A call may be made at the time when the resolution of the Directors authorising such call was passed. Option on right to call on shares shall not be given to any person or persons except with the sanction of the Company in general meeting.

#### **Calls**

17. No call shall be made payable within one month after the last proceeding call was payable. Not less than fourteen days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid. (w.e.f. 08.10 83)

#### **Restriction on power make calls and notice**

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| 18. | If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holders for the time being of the share in respect for which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of 12% per annum from the day appointed for the payment thereof to the time of the actual payment or at such other rate as the Directors may determine. The Directors shall be at liberty to waive payment of any such interest wholly or partly.  | <b>When interest on call &amp; instalment payable</b>                  |
| 19. | If by the terms of issue of any shares or otherwise any amount is made payable at any fixed time or by instalments at fixed time, whether on amount of the amount of the share or by way of premium every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice had been given and all the provisions herein contained in respect of calls, shall apply to such amount of instalment accordingly.   | <b>Amount payable at fixed time or by instalments payable at calls</b> |
| 20. | Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any share holder or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of the Company as a holder, or one of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of Company and it shall neither be necessary to approve the appointment of the Directors who made any call, nor that a quorum of Directors was present at the meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt. | <b>Evidence action by Company against Shareholders</b>                 |
| 21. | The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually call for and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the Directors think fit. Money so paid in excess of the amount of calls shall not rank for dividends or participate in the profits of the Company. The Directors may, at any time, repay the amount so advanced on giving to such member not less than three months' notice in writing. (w.e.f. 08.10.83)   | <b>Payment of calls in advance (w.e.f. 08.10.83)</b>                   |
| 22. | A call may be revoked or postponed at the discretion of the Directors.   | <b>Revocation of call</b>  |

## FORFEITURE, SURRENDER AND LIEN

23. If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any extension thereof as aforesaid, the Directors may, at any time thereafter during such time as the call or instalment remains unpaid or decree remains unsatisfied, serve notice on such member or on the person (if any) entitled to share by transmission requiring him to pay such call or instalment or such part thereof or other money as remains unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.
- If call or instalment not paid notice may be given**
24. The notice aforesaid shall name a day (not being less than thirty days from the date of the notice) and places on and at which the money is to be paid and the notice shall also state that in the event of the non-payment of such money at the time and place appointed, the shares in respect of which the same is owing, will be liable to be forfeited.
- Terms of forfeiture**
25. If the requisition of any such notice shall not be complied with every or any share in respect of which the notice is given, may at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof be forfeited by a resolution at the Directors to that effect. Such forfeiture shall include dividend declared in respect of the forfeited shares and not actually paid before the forfeiture.
- In default of payment shares may be forfeited**
26. When any share is declared to be forfeited, notice of forfeiture shall be given to the member in whose name it stood immediately prior to forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register 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.
- Notice of forfeiture to member and entry in Register**
27. Every share so forfeited as aforesaid shall thereupon be the property of the Company and may be sold, re-allotted or otherwise disposed off either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.
- Forfeited shares**
28. The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off annual the forfeiture thereof upon such conditions as they may think fit.
- Power to annual forfeiture**
29. Any member whose shares may be forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company all calls and other moneys owing upon the shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at nine percent per annum and the
- Member shall be liable to pay money owing at the time of forfeiture and interest**



Directors may enforce the payment thereof, if they think fit, but shall not be under any obligation to do so.

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| 30. | The forfeiture of share shall involve the extinction of all interest m, and also of 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 the expressly saved.   | <b>Effect of forfeiture</b>                                 |
| 31. | A certificate in writing under the hand of a Director or the Secretary that the call or other moneys in respect of a share was or were due and payable and notice thereof was given and that default in payment of the call or other moneys was made and that the forfeiture of the shares was made, by a resolution of the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.   | <b>Certificate of forfeiture</b>                            |
| 32. | The Company may receive the consideration, 1f any, given for the share on any sale or other disposition thereof and the person to whom such share is sold or disposed off, may be registered as the holder of the share and he shall neither be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity to the proceedings in reference to the forfeiture, sale or other disposal of the same.   | <b>Title of purchasers and allotted of forfeited shares</b> |
| 33. | The Directors may at any time, subject to the provisions of the Act, accept the surrender of any share from or by member desirous of surrendering on such terms as the Directors may think fit.   | <b>Directors and accept surrender of shares</b>             |
| 34. | The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable on not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that articles 12 hereof is to have full effect. any such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this clause. | <b>Company's lien on shares</b>                             |
| 35. | For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made unless the sum, in respect of which the lien exists, is personally payable and until notice in writing of the intention to sell shall have been served on such member. his executors or administrators or his committee, curator, or other legal representatives as the case may be and default shall have been made by him or them in the payment of the  | <b>As to enforcing lien by sale</b>                         |

sum payable as aforesaid for fourteen days after the date of such notice. To give effect to lien and such sale, the Board may authorise some person to transfer the shares sold to the purchaser who shall be registered as a holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the existing certificate/s in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate in lieu thereof to the purchaser or purchasers concerned.

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

**Application of proceeds of sale**

#### **TRANSFER AND TRANSMISSION OF SHARES**

37. Shares in the Company shall be transferred by an instrument in writing in the prescribed form.

**Form of transfer**

38. The Company shall have power to keep foreign register of members or debenture holders in any country and State outside India as may be decided by the Board from time to time. If any shares are to be rendered in any such register, the instrument of transfer shall be in a form recognised under the law of such country or State or in such form as may be approved by the Board.

**Foreign Register of Members and Form**

39. Subject to the provisions of section 58 of the Act or any other statutory modification of the said provisions for the time being in force, the Directors may, at their own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares, other than fully paid up and in particular may so decline in any case in which the company has lien upon the shares or any of them or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Directors and such transfer shall not be affected by the fact that the proposed transferee is already a member. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the transferee. Provided that registration of transfer of shares shall not be refused on the ground of the transfer being either other alone or jointly with any other persons indebted to the company on any account whatsoever except a lien on shares." (w.e.f. 25.09.2017).

**Directors may refuse to register transfer (w.e.f. 25.09.2017)**

40. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company within one month from the date on which the instrument of transfer or intimation or 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

**Notice of refusal be given to transferor or/ and transferee**

thereupon the provisions of section 58 of the Act or any statutory modification of the provisions for the time being in force shall apply. (w.e.f. 25.09.2017)

41. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register, shall be returned to the persons depositing the same.

**Custody of the instrument of transfer**

42. The Directors shall have power, on giving not less than seven days previous notice by advertisement as required by Section 91 of the Act, to close the register of members and debenture holders of the Company for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time, as they may deem fit.

**Closure of transfer books etc.**

43. "Subject to the provision of the Act. The executor or administrator of a deceased member or holder of a succession certificate shall be the only person recognised such executor or administrator or holder of a succession certificate unless such executor shall have first obtained probate. Letters of Administration or other legal representation as the case may be, from a duly constituted Court in India or from any authority empowered by any law to grant such other legal representation. provided that in and case where the Board in its absolute discretion think fit the Board may dispense with the production of Probate or Letter of Administration or other legal representation and under the next Article. register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member upon such terms as to indemnity or otherwise as the Directors may deem fit." (Added on. 29.09.2000)

**Title to share of deceased holder  
(w.e.f. 29.09.2000)**

(1) For the purpose of this Article

Definitions: Beneficial owner means a person who opts to hold his securities with a Depository, and whose name is recorded as such with a depository;

SEBI means the Securities and Exchange Board of India: Depository means a Company formed and registered under the Companies Act, 1956 or the Companies Act, 2013 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act. 1992: and Security means such security as may be specified by SEBI from time to time.

44. Subject to the provisions of the Act and these Articles, any person, becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with those Article, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains

**Registration of persons entitled to shares otherwise than by transfer  
{transmission clause}**

the character in respect of which he proposes to act under this clause or of his title, as the Board may think sufficient and upon giving such indemnity as the Directors may require, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided the person nominated by him and approved by the Board registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the execution to his nominee of instrument of transfer of the share. in accordance with the provisions herein contained and until he does so he shall not be free from any liability in respect of the share. This clause is herein referred to "The Transmission Clause".

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| 45. | Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register as member a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.  | <b>Refusal to register transmission of shares</b>  |
| 46. | Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Board at its discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Board to accept any indemnity.   | <b>Board may require evidence of transmission</b>  |
| 47. | The Company may charge such fee for every transfer or transmission of shares of any class or denomination as the Directors may decide from time to time. Unless the Directors so decide, the Company shall not charge any fee for registering the transfer or transmission of shares.   | <b>Fee on transfer or transmission</b>   |
| 48. | The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made, by any apparent legal owner hereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable right, title or interest in the said shares notwithstanding that the Company have had notice of such equitable right, title or interest or may have received a notice prohibiting such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to notice which may be given to them of 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 books of the Company but the Company shall, nevertheless be at liberty to regard and attend to any such notice and give effect hereto, if the Director shall so think fit. | <b>The Company not liable for disregarded of a notice prohibiting registration of a transfer</b> |

**INCREASE, REDUCTION AND ALTERATION IN  
AUTHORISED, ISSUED AND SUBSCRIBED CAPITAL**

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| 49. | The Company may from time to time by ordinary resolution in general meeting alter the conditions of its memorandum by increase of authorised capital by creation of new shares of such amount as it thinks expedient.   | <b>Increase of authorised share capital</b>                            |
| 50. | The Company may, from to time in general meeting by special resolution increase its subscribed share capital by issue of new shares upon such terms and conditions and with such rights and privileges annexed there to, as by the general meeting, issuing the same shall be directed and if no directions be given as the Board shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of the assets of the Company provided always that any preference shares may be issued on the terms that they are, at the option of the Company, liable to be redeemed and on such terms and conditions of redemption as may be prescribed. | <b>Redeemable Preference shares and increase of subscribed capital</b> |
| 51. | Except so far as may be otherwise provided by the conditions of issue or by those present any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture. Lien, surrender, voting and otherwise.   | <b>Increased capital at par as original capital</b>                    |
| 52. | Notwithstanding anything contained in these Articles in the case of issue of redeemable Preference Share under the provisions of Article 50 hereof, the provisions of the Act shall apply.  | <b>Provisions in case of redeemable preference share</b>               |
| 53. | The Company may (subject to the provisions of Sections 66 to 70 of the Act) from time to time by Special Resolution reduce its share Capital and any Capital Redemption Reserve Account or securities Premium Account in any way authorised by law and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may, if and as far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.   | <b>Reduction of capital</b>  |
| 54. | The Company may in general meeting alter the conditions of Memorandum as follows: -<br><br>(a) consolidate and divide all or any of its share capital into share of larger amount than its existing shares.<br><br>(b) Subdivide its shares or any of them into share of smaller amounts than originally fixed by the Memorandum, subject nevertheless to the Provisions of the Act and of these Articles.<br><br>(c) Cancel shares which, at the date of such general meeting have not been taken or agreed to be taken by   | <b>Consolidation division and sub-division</b>                         |

any person and diminish the amount of its share capital by the amount of the shares so cancelled.

55. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided for by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith, but in no respect in priority thereto.

**Issued of further pari-passu share not to affect the right of shares already issued**

#### **MODIFICATION OF CLASS RIGHTS**

56. If at any time the capital by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of the Act, be modified, committed, affected, abrogated or varied subject to:

**Power to modify rights**

- (a) The consent in writing of the holders of not less than three fourth of the issued shares of that class, or
- (b) The sanction of special resolution passed at a separate meeting of the holders of the shares of that class,
- (c) Provided to every such separate meeting of the holders of shares of that class the provisions herein contained as to general meeting shall mutatis mutandis apply.

#### **JOINT HOLDERS**

57. Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as Joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles: -

**Joint Holders**

- (a) The Company shall be entitled to decline to register more than four persons as the Joint holders of any share.
- (b) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such shares.
- (c) On death of any such joint holder, the survivor or survivors shall be only person or persons recognised by the Company as having any title or interest in the share but the Directors may require such evidence of death as they deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

- (d) Any one of the Joint holders may give effectual receipt of any dividends or other moneys payable in respect of such shares.
- (e) Only the person whose name stands first in the Register as one of the joint holders, shall be entitled to delivery of the certificate relating to such shares or to receive documents (which expression shall be deemed to include all documents referred to in Article 148) from the Company and any documents served on or sent to such person shall be deemed as good service on all the joint holders.
- (f) Any one of two or more Joint holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and If more than one of such joint holders be present at any meeting personally or by proxy then one of such person so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting Provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to Joint holder present by proxy although the name of such joint holder present by proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands for the purposes of this sub clause to deemed joint holders.

### **BORROWING POWERS**

58. Subject to provisions of section 179 and section 180 of the Companies Act, 2013 and these Articles and without prejudice to the other powers conferred by the Articles the Board shall have power to borrow from time to time at their discretion by resolution passed at a meeting of the Board and not by Circular Resolution to accept deposits from members of the Company, either in advance of calls or otherwise and generally to raise or borrow or secure the payment or any sum of money for the purposes of the Company, provided that the aggregate of the amount borrowed at any time together with moneys already borrowed by the Company (apart from temporary loans as defined in the Act, obtained from the Company's bankers in the ordinary course of business) and remaining outstanding and undischarged at that time shall not without the consent of the Company in General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose.

### **Powers to borrow**

Further, In supersession and complete substitution to the resolution passed in the General Meeting of Shareholders on 17<sup>th</sup> September, 1994 the consent of the Company is hereby accorded by way of Special Resolution in empowering to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of moneys from time to time notwithstanding that money or moneys to be borrowed together with the moneys already borrowed by the Company (except from temporary loans obtained from the Companies Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and its free reserves. provided however the total amount so borrowed shall not exceed Rupees Three Hundred Crores at any given time." (w.e.f. 23.09.2016).

**“RESOLVED THAT** pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 including any statutory modification or re-enactments thereof and in supersession of all the earlier resolution passed in this regard, consent of the Company be and is hereby accorded to Board of Directors to borrow money from any Bank and/or Public Financial institution as defined under Section 2 (72) of the Companies Act, 2013, Qualified Institutional Buyer or from any other organization or Body Corporate and/ or eligible foreign lender and/or any entity/ entities and/ or authority/ authorities and/ or through credit suppliers, any other securities or instruments, such as floating rates notes, fixed rates, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc, and/ or through credit from official agencies and/ or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 300 Crores (Rupees Three Hundred Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.”

**“RESOLVED FURTHER** that the Board of Directors be and are hereby, jointly or severally, authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required on behalf of the company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to his resolution.” (w.e.f. 23.09.2016).



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| 59. | Subject to the provisions of the Act and these Articles, the Board may raise and secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures, debenture stock or any mortgage or charge or ether security on the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.      | <b>conditions on which money<br/>may be Borrowed</b>                           |
| 60. | Any bonds, stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.  | <b>Bonds, debentures etc. to be<br/>under the control of the<br/>directors</b> |
| 61. | Debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.   | <b>Securities may be assignable<br/>free from equities</b>                     |
| 62. | Any bonds, debentures, debenture stock, or other securities except shares may be issued at a discount, premium or otherwise and with any special privilege and conditions as to redemption, surrender, drawing allotment of shares, as well as attending and voting at General Meeting. Provided that debentures with the right of conversion into shares shall not be issued except in conformity with the provisions of Section 62 of the Act.  | <b>Issue at discount etc. or with<br/>special privilege</b>                    |
| 63. | Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability. | <b>indemnity may be given</b>  |
| 64. | If any uncalled capital of the Company is included or is charged by way of any mortgage or other security, the Directors shall 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.  | <b>Mortgage of uncalled capital</b>  |

#### **GENERAL MEETING**

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| 65. | Subject to provisions of the Act, the Company shall hold from time to time as provided by the Act in addition to any other meeting a general meeting as its Annual General Meeting. The provisions of Section 96 of the Act shall apply to such Annual General Meetings. | <b>Annual General Meeting</b> |
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| 66. | Every Annual General Meeting shall be called for at a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at Registered Office of the Company or at any other place within the City, town or village in which the Registered Office of the Company is situate. | <b>Annual General Meeting when to be held</b>                   |
| 67. | (a) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.<br><br>(b) The Board of Directors may, whenever it thinks fit, call an Extra-Ordinary General Meeting.  | <b>Extraordinary General Meeting</b>                            |
| 68. | The Board of Directors shall on due requisition of members in accordance with Section 100 of the Act, forthwith proceed to call an Extraordinary General Meeting and the provisions of Section 100 of the Act shall apply in respect of such meetings.  | <b>Calling of Extra-ordinary General Meeting on requisition</b> |
| 69. | Save as permitted under Section 101 of the Act, a General Meeting of the Company may be called by giving not less than twenty-one days' notice in writing.  | <b>Notice of Meeting</b>  |
| 70. | Notice of every meeting shall be given to the members and to such other person or persons as recurred under and in accordance with Section 101 of the Act and it shall be served in the manner authorised by Section 20 of the Act.   | <b>Contents and service of notice</b>                           |

**PROCEEDINGS AT GENERAL MEETING**

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| 71. | No business shall be transacted at any General Meeting, unless the requisite Quorum is present at the time when the meeting proceeds to business. Save as otherwise provided in the Act, the Quorum for General Meeting shall be same as provided in Section 103 of the Act.   | <b>Quorum of General Meeting</b>                                  |
| 72. | If within half an hour from time appointed for holding a meeting of the Company. a quorum is not present the meeting if called upon at the requisition of members shall stand dissolved and in other case, the meeting shall stand adjourned to the same day m the next week (not being a holiday) at the same time and place or to such other day and place as the Board may determine. | <b>If quorum not present meeting to be dissolved or adjourned</b> |
| 73. | If at any adjourned meeting also, a quorum is not present within half an hour of the time appointed for holding the meeting, the members present, whatever their number (not being less than two) shall be quorum and shall have power to decide upon all the matters which could properly have been disposed off at the meeting from which tile adjournment took place.                 | <b>Adjourned meeting to transact business</b>                     |
| 74. | The Chairman (if any) of the Board of Directors shall, if present. preside as Chairman at every general meeting whether Annual or Extraordinary but if there be no such Chairman, or in case of his absence or refusal, the Vice-  | <b>Chairman of the meeting</b>                                    |

Chairman (if any) and if there be no Vice-Chairman or Vice Chairman or in case of his absence or refusal any one of the Directors present shall be chosen to be chairman of the meeting.

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| 75. | If at any meeting a quorum of members shall be present and the Chair shall not be taken by the Chairman of the Board or by the Vice-Chairman or by Director at the expiration of half an hour from the time appointed for holding the meeting or if before the expiration of half an hour from the time appointed for holding the meeting or if before the expiration of that time all the director shall decline to take the Chair, the members present shall on a show of hands choose one of their own members to be the Chairman of the meeting. | <b>Member as Chairman</b>  |
| 76. | No business shall be discussed at any General meeting except the election of the Chairman whilst the Chair is vacant. 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 these Articles.  | <b>Business confined to election of Chairman whilst chair vacant</b> |
| 77. | The Chairman may with the consent of any meeting at which quorum is present and shall if so directed by the meeting, adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.  | <b>Chairman with consent to adjourn meeting</b>                      |
| 78. | When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at any adjourned meeting.   | <b>Notice to be given where a meeting adjourned</b>                  |
| 79. | At any General meeting provisions of Section 106 to 110 of the Act shall apply provided that in case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands take place or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.  | <b>Resolution how decided</b>  |
| 80. | Any act or resolution, which under the provisions of these Articles or of the Act is permitted or required to be done or passed by the Company in a General Meeting shall be sufficiently so done or passed if effected by an ordinary resolution as defined in section 114 of the Act unless either the Act or these Articles specifically require such Act or resolution to be done or passed by a special resolution as defined in section 114 of the Act   | <b>Resolution</b>  |
| 81. | 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, the proxy register with the proxies and the Register of Directors' holding maintained under section 117 of the Act.   | <b>Reports, statements and register to be laid on the table</b>      |

The Auditors Report shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.

82. The Board shall cause minutes of all proceedings of every general meeting of all proceedings of every meeting of its Board of Directors or of every committee of the Board to be kept in accordance with Section 118 of the Act.

**Minutes of general meeting and of Board meetings**

83. The book containing the minutes of the proceedings of General meeting of the Company shall be kept at the office of the Company and be open to the inspection of any members as prescribed by Section 119 of the act.

**Inspection of minute books of general meeting**

#### **VOTE OF MEMBERS**

84. Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy or in the case of a body corporate also by a representative duly authorised under provision of the Act and Articles 86 hereof.

**Votes may be given by proxy**

85. Subject to the section 47 of the Act and provision these Articles: -

**Voting Rights**

(1) Upon a show of hands every member holding equity shares and entitled to vote and present in person (including an attorney or a representative of a body corporate as mentioned in Article 86) shall have one vote.

(2) Upon a poll the voting right of every member holding equity shares and entitled to vote and present in person (including a body corporate present as aforesaid) or by proxy shall be in proportion to his share in the paid-up equity capital of the Company

(2) The voting right of every member holding preference shares, if any, shall upon a show of hands or upon a poll be subjected to the provisions, limitations and restrictions laid down in provision of the Act.

86. No member not personally present shall be entitled to vote on a show of hands unless such member is body corporate present by attorney or by representative duly authorised under provision of the Act in which such attorney or representative may vote on show of hands as if he were an individual member of the Company.

**No voting by proxy on show of hands**

87. Subject to the provisions of the Act, no member shall be entitled to be present or to voting right 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 and has exercised, any right of lien.

**Restriction on exercise of voting rights**

88. Any person entitled under the Transmission Clause (Article 43 hereof) to transfer any shares. may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 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 Board of his right to transfer such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
89. On a poll taken at a meeting of the Company. a member entitled to more than one vote. or his proxy, or their 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.
90. The Instrument appointing proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of authority shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall be treated as invalid.
91. The instrument appointing a proxy shall be in either of the form prescribed under the Act or a form as near thereto as circumstances admit.
- 92.. If such instrument of appointment be confined to the object of appointing an attorney or proxy or substitute, it shall remain, permanently or for such time as the Board may determine, in the custody of the Company and if embracing other objects, a copy thereof, examined with the Original, shall be delivered to the Company to remain in its custody.
93. A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous insanity or lunacy or death of the principal or revocation of the proxy as the case may be, or any power of attorney, as the case may be, or power of attorney 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 insanity, lunacy, death, revocation or transfer shall have been received at the office before the meeting.
94. Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at meeting or poll at which such vote shall be tendered and every vote, whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll, shall be deemed valid for all the purposes of such meeting or poll whatsoever.
- Votes in respect of shares or deceased or insolvent members**
- Right or members to use his votes differently**
- Instruments appointing a proxy to be deposited in the office**
- Form of Proxy**
- Custody of the instrument**
- Validity of votes given by proxy notwithstanding death**
- Time for objection vote**

95. Subject to the provisions of the Act and these Articles, the chairman of any meeting shall be the sole Judge of the validity of every vote tendered at such meeting and subject as aforesaid, the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. **Chairman of any meeting to be the Judge of validity of any vote**

#### **DIRECTORS**

96. Subject to Section 149 of the Act, the number of the Directors of the Company shall not be less than three and not more than fifteen. Provided that this limit of 15 Directors can be increased by way of special resolution at a general meeting **No. of Directors**
97. The following shall be the first Directors of the Company: **First Directors**
1. Shri Arjun Das Agarwal
  2. Shri Krishan Kumar Agarwal
  3. Shri Kailash Kumar Agarwal
98. **A.** Any Trust Deed for securing debentures or debenture stock may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture stock of some person or persons to be Director(s) of the Company and may empower such Trustees or holders of debentures or debenture stock, from time to time, to remove and re-appoint any Director(s) so appointed. The Directors appointed under this Article are herein referred to as "Debenture Directors" and the term "Debenture Directors" means the Directors 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 provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained. **Debenture Director**

**B.**

- (1) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to Haryana State Industrial Corporation Limited (HSIDC), Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI) or to any other Financing Company or Body out of any loans granted by them to the company or so long as HSIDC, IDBI, IFCI, ICICI or any other Financing Corporation or any other Financing Company or Body (each of which HSIDC, IDBI, IFCI and ICICI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "the Corporation"), continue to hold debentures of the company by direct subscription or private placement, or so long as the Corporation holds share in the company as a result of underwriting or direct subscription or so long as any liability of the company for which any guarantee has been 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(s).
2. The Board shall have no power to remove from office the Nominee Directors). 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 Directors) shall be entitled to the same right and privileges and be subject to the same obligations as any other Directors of the Company.
3. The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the company to the corporation or so long as the corporation holds Debentures of the company as a result of direct subscription or private placement or so long as the corporation holds shares in the company as a result of underwriting or direct subscription or the liability of the company for which any

Guarantee has been furnished by the corporation is outstanding and the Nominee Directors so appointed in exercise of the said powers shall ipso facto vacate such office immediately the moneys owing by the company to the corporation is paid off or on the corporation ceasing to hold Debentures of or shares in the company or on the satisfaction of the liability of the Company for which any Guarantee has been furnished by the corporation.

4. The Nominee Director/s appointed under this Article shall be entitled to receive notices of all General Meeting, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s attend such meetings and to receive the minutes of such Meeting. The Corporation shall also be entitled to receive all such notices and minutes.
5. The Company shall pay to the Nominee Director/s fees for attending Board and Committee Meetings and expenses which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys or 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/s.
6. Provided that if any such Nominee Director is an officer of the corporation the fees for attending Board and Committee Meetings in relation to such Nominee Director shall also accrue to the corporation and the same shall accordingly be paid by the company directly to the corporation.
7. Provided further that if such Nominee Director is an officer of Reserve Bank of India, the fees for attending Board and Committee Meetings in relation to such Nominee Director shall accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.
8. Provided also that in the event of any Nominee Director/s being appointed as Whole-time Director/s such Nominee Director/s shall exercise such powers and



duties as may be approved by the 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 Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.

- C. The provision of Articles 98A, 98B and 123(b) are subject to the provisions of Section 152 of the Act and the number of such Directors appointed under Articles, 98A, 98B and 123(b) shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

**Limit on number of non-retiring Directors**

99. The Board may appoint an alternate Director who is recommended for such appointment by a Director (hereinafter called the 'Original Director') to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An alternate Director appointed under this Article shall not hold office as such for a longer period than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Directorship is determined before he so returns to the said State. Any provision in the Act or these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to original Director and not to the alternate Director.

**Appointment of alternate Directors**

100. The Board shall have power from time to time and at any time to appoint any person as a Director as an addition to the Board but so that total number of Directors shall not at any time exceed the maximum number fixed by these articles. Any Director so appointed shall hold office only up to the next annual general meeting of the Company and shall then be eligible for re-appointment.

**Additional Directors**

101. Subject to the provision of the Act and other applicable provisions (if any) if the office of a Director appointed by the Company in a General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulation contained in these articles be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

**Casual Vacancy**

102. A Director shall not be required to hold any qualification shares and a person may be appointed as a Director notwithstanding that he holds no. shares in the Company.

**Qualification of Directors**

103. The fees payable to a Director for attending a Meeting of the Board or Committee thereof shall be decided by the

**Remuneration of Directors**

Board of Directors from time to time within the maximum limits of such fees that may be prescribed by the Act or the Central Government or if not so prescribed, in such manner as the Directors may decide from time to time in conformity with the provisions of law. In addition, the Company may pay to any Director, who for the time being is resident out of the place at which any meeting of Directors may be held and who come to that place for the purpose of attending such meeting and also to any other Director in respect of any journey made by him for and on behalf of the Company, his travelling, boarding and lodging and other incidental expenses in respect of such meeting and/or journeys.

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| 104. | If any Director, being willing, shall be called upon to perform extra services or to make any special exertions for any of the purposes at the Company or in giving special attention to the business of the Company as a member of a committee of the Directors, then subject to the of the Act, the Directors may remunerate the Director so doing either by a fixed percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.  | <b>Remuneration for extra service</b>            |
| 105. | The continuing Directors may act notwithstanding any vacancy in their body, but so that subject to the provisions of the Act, if their number falls below the minimum above fixed and notwithstanding the absence of a quorum, the Directors may act for the purpose of filling up vacancies or for summoning a general meeting of the Company.  | <b>Directors may act notwithstanding Vacancy</b> |
| 106. | Subject to provision of the Act, the office of a Director shall ipso facto become vacant if:<br><br>(a) he is found to be a unsound mind by a court of competent jurisdiction; or<br><br>(b) he applies to be adjudicated an insolvent; or<br><br>(c) he is adjudged an insolvent; or<br><br>(d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official gazette removed the disqualification incurred by such failure; or<br><br>(e) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private Company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of provision of the Act; or | <b>When office of Director to be vacated</b>     |

- (f) he absents himself from three consecutive meetings of the Board of Directors, or, from all meetings of the Board for a continuous period of three month, whichever is longer, without obtaining leave of absence from the board; or
- (g) he becomes disqualified by an order of a Court (as defined in the Act) under provision of the Act; or
- (h) he is removed in pursuance of provision of the Act; or
- (i) he acts in contravention of provision of the Act and by virtue of such contravention, shall have been deemed under the Act to have vacated office; or
- (j) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
- (k) he having been appointed a Director by virtue of his holding office or other employment in the Company, ceases to hold such office or other employment in the Company, or
- (l) he resigns by notice in writing to the Company, or
- (m) he holds any office of profit under the Company or any subsidiary thereof in contravention of provision of the Act.

107. Subject to the provisions of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors, within the limits fixed in that behalf by these Articles.

**Resignation**

108. A Director may become a Director of any Company promoted by this Company or in which if may be interested as a vendor, shareholder or otherwise and subject to the provisions of the Act and these Articles no such Director shall be accountable for benefit received as Director or shareholder of such Company.

**Director may be directors of the Companies promoted by Company**

109. So long as the HSIDC and Co-promoters respectively continue to hold not less than 15% and 25% of the paid-up Equity Capital of the Company, the HSIDC and the Co-promoters shall be entitled to nominate or have appointed two and three Directors respectively on the Board of the Company. One of the nominees of the HSIDC shall not be liable to retire by rotation. Of the remaining Directors, not less than two thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. At every annual general meeting of the Company, one third of such Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one third shall retire from office.

**Retirement by rotation**

## PROCEEDINGS OF DIRECTORS

110. The Board may meet for the dispatch of business from time to time and shall meet at least four times every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings and they may adjourn and otherwise regulate their meeting and proceedings as they think fit. **Meeting of Directors**
111. Subject to provisions of Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of total number (any fraction in such on third being rounded of as one) or two Directors, whichever is higher. **Quorum**
112. If a meeting of the Board cannot be held for want of a quorum then the meeting shall stand adjourned to the such other day, time and place as the Director or Directors present at the meeting may fix. Notice of the adjournment of the meeting shall be given to all the Directors in the manner prescribed under Article 110. **Adjournment of meeting for want of quorum**
113. The Directors may from time to time elect one of their member to be the Chairman of the Board of Directors and determine the period for which he is to hold office. The Directors may likewise appoint a Vice-Chairman of the Board of Directors. **Chairman**
114. All meetings of the Directors shall be presided over by the Chairman, but if at any meeting of the Directors, the Chairman is not present within 30 minutes of the time appointed for holding the same, the Vice Chairman; if present, shall preside and if he will not be present at such time in that case, the Directors shall choose one of the Directors then present to preside at the meeting. **Who to preside at the meeting of the Board**
115. Questions arising any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman of the meeting (whether the Chairman appointed by virtue of these Article or the Director presiding at such meetings) shall have a second or casting vote. **Question at Board meeting how decided (casting vote)**
116. Subject to the provisions of this Act, the Directors may delegate any of their powers to committee(s) consisting of any such member or members of their body as they think fit and they may from time to time revoke and discharge any such committees, either wholly or in part and either as to persons or purposes, but every committee so formed, shall in the exercise of powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and in fulfilment of the purpose of their appointment but not otherwise. shall have the like force and effect as if done by the Board. The Board may from time **Directors may appoint committee**

to time, fix remuneration to be paid to any members of their body constituting a committee appointed by the Board in terms of these Articles and may pay the same.

117. The meetings and proceedings of any such committee, shall be governed by the provisions herein and /or in the Act, contained for regulating the meetings and proceedings of Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under, the last proceeding Article.

**Meetings of committee have to be governed**

118. (1) Subject to the provision of the Act, resolutions passed by circulation without a meeting or the Board or of a committee of the Board appointed under Article 116, shall subject to the provisions of sub-clause (2) hereof and of the Act, be as valid and effectual as a resolution duly passed at a meeting of the Directors or of a committee duly called and held.

**Resolution by Circulation**

- (2) A resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation 1f the resolution, has been circulated in draft together with the necessary papers if any to all the Directors or to all the members of the committee at their respective addresses registered with the Company and has been approved by a majority of the Directors or members of the committee as are entitled to vote on the resolution

119. Subject to the provisions of the Act and these Articles all acts done by any meeting of the Directors or committee of Directors or any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect m the appointment of such Directors or persons acting as aforesaid or that or any of these were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be Director.

**Acts of Board or committee valid notwithstanding defect in appointment**

**POWERS OF THE BOARD OF DIRECTORS**

120. (1) Subject to the provisions of the Act, the Board shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do in furtherance of its objects specified in the Memorandum of Association for which the Company is established, except such powers as are required by the Act or the Memorandum or Articles of Association of the Company to be exercised or done by the Company in general meeting. In exercising any such powers or doing any such acts or things, the Board shall be subject to the provisions contained in that behalf in the Memorandum or Articles of the Company or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in general meetings.

**General Powers**

- (2) No regulation 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.
121. Subject to the provisions of this Act and other applicable provisions of the Act the Company may appoint or reappoint whole-time Director and Manager upon such terms and conditions as it think fit. **Power to appoint whole time Director and Manager**
122. (1) The Directors may appoint a secretary and/or a consultant and/ or an adviser on such terms at such remuneration and upon such conditions they may think fit and any Secretary or consultant or adviser so appointed may be removed by the Directors. **Secretary consultants etc.**
- (2) A Director may be appointed as a Secretary and/or consultant and/ or advisor.
123. (a) Subject to the provisions of the Act, So long the co-promoter hold not less than 25% of the Subscribed Equity Share Capital of the Company and continues to perform his obligations under the promotional agreement, the Managing Director of the Company shall be appointed or re-appointed by the Board on recommendations of the Co-Promoter and on such terms as may be approved by the HSIDC but subject to approval of Central Government under provision of the Act to perform such functions and exercise such powers as are delegated to him by the Board, in accordance with the provisions of the Act and Articles of Association and shall perform his functions and exercise his powers subject to general superintendence, control and direction of the Board of Directors. **Managing Director**
- (b) The Managing Director shall not while he continues to hold the office be subjected to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the retirement of Directors or in fixing the number of Directors to retire, subject to the provisions of any contract between him and the Company He shall, however, be subjected to the same provisions as to resignation and removal as applicable to the other Directors of the Company and he shall ipso facto cease to be a Managing Director, if he ceases to hold the office of the Director from any cause.
124. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a Director and the Manager or Secretary shall not be satisfied by its being done by or to the same person acting both as director and or in place of the manager or secretary.

## THE SEAL

125. The Board shall provide a common seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the board shall provide for the safe custody of the seal for the time being and the seal shall never be used except by or under the authority of the board or a committee of Directors.
126. Every deed or other instrument to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney of the Company, be signed by two Directors or a Director and the Secretary, if any, or the person authorised by the Board for the purpose provided nevertheless; that certificates of debentures may be signed by one Director only or by the Secretary of the Company or by an attorney of the Company duly authorised in this behalf and certificates of shares shall be signed as provided in Article 13.

## The Seal its custody and use

## DIVIDENDS

127. The profits of the Company, subjects to special right, if any; relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these articles, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that subject as aforesaid any capital paid up on a share during the period in respect of which a dividend is declared shall unless the Board otherwise determine only entitle to the holder of such share to an apportioned amount of such dividend as from the date of payment.
128. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up on some shares than on others.
129. (1) The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and subject to the provisions of the Act may fix the time for payment. When a dividend has been so declared the warrant in respect thereof shall be posted within forty-two days from the date of declaration to the shareholder entitled to the payment of the same.
- (2) No larger divided shall be declared than is recommended by the Directors, but the Company in general meeting may declare a smaller dividend. Subject to the provisions of the Act and in particular Section 123 thereof, no dividend shall be payable except out of the profits of the year or any other un-

## Division of Profit

## Dividends in proportion to amount paid up

## Company in general meeting may declare a dividend

distributed profits of the Company and the declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

- (3) No dividend shall carry interest as against the Company.
130. Subject to the provisions of the Act, the Directors may from time to time pay to the member on account of the next forthcoming years such interim dividend as in their judgement the position of the Company justifies. **Interim Dividend**
131. The Directors shall transfer the amount to the unpaid dividend account being dividends payable upon shares in respect of which any person is under Article 44 entitled to become a member, or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same. Such amount shall be governed by the provisions of Section 124 and 125 of the Act. **Retention of Dividend until completion of transfer under articles**
132. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any moneys may be due or owing from him to the Company in respect of such share either alone or jointly with any other person or persons and the directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company. **No member to receive dividend whilst indebted to Company & Company's right of reimbursement thereof**
133. All unpaid and unclaimed dividends shall be dealt with in accordance with the provision of Section 124 of the Act and rules made thereunder. **unclaimed dividend**
134. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer. **Transfer of shares must be registered**
135. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the registered post to the address of the member or person entitled to the shares or in case of joint holders to one of them first named in the Register of Members in respect of the Joint holding. The Dividend may be paid to the shareholders by electronic means. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto, by the forged endorsement of any cheque or warrant or the fraudulent recover thereof by any other means. **Dividends how remitted**
136. Any general meeting declaring a dividend may on the recommendation of the Board make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at **Dividend and call together**



the same time as the dividend and that the dividend may, if so arranged between the Company and the members be set off against the calls.

137. No dividend shall be payable except in cash, provided that nothing in this article shall be deemed to prohibit the capitalisation of 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 the members of the Company.

### **Special Powers in relation to satisfaction of dividends**

### **CAPITALISATION**

138. (1) Any General Meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the general reserve or any reserve fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Shares Premium Account received otherwise than in cash) may be capitalised.

### **Capitalisation**

- (a) by the issue and distribution as fully paid shares, bonds or other obligations of the Company, or
- (b) by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any Shares Premium account received in cash and Capital Redemption Reserve Account may be applied in:

- (i) Paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
  - (ii) in writing off the preliminary expenses of the Company;
  - (iii) in writing off the expenses or the commission paid or discount allowed on any issue of shares of the Company; or
  - (iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
- (2) Such issue and distribution under sub-clause (1) (a) above and such payment to the credit of the unpaid share capital under sub-clause (1)(b) above shall be made to, among and in favour of the members or any class of them entitled thereto and in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the

shares held by them respectively in respect of which such distribution under sub-clause (1) (a) and such payment under Sub clause (1) (b) above shall be made on the footing that such members become entitled thereto as capital.

- (3) The Director shall give effect to any such resolution and apply such portion of the profits, General Reserve or Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full or the shares, bonds or other obligations of the Company so distributed under sub-clause (1) (a) above or (as the case may be) for purposes of paying, in whole or in part the amount remaining unpaid on the Shares which may have been issued and are not fully paid under sub-clause (1) (b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the capitalised sum.
- (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates.
- (5) Subject to the provisions of the Act and these Articles. in cases where some of the shares of the Company are fully paid and other are partly paid only, such capitalisation may be effected by distribution of further shares in respect of the fully paid shares and /or by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares and the partly paid shares the sum so applied in payment of such further shares and in the extinguishing or diminution of the liability on the shares shall be applied prorate in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.
- (6) When deemed requisite a proper contract shall be filed with Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

## ACCOUNTS

139. The Company shall keep at its Registered Office proper books of accounts as required by the Act and in particular under Section 128 thereof.

**Books of Accounts to be kept**

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

140. The Directors shall from time to time, determine whether and to what extent and at what times and places and under what conditions or regulation the accounts, book and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any accounts, books or document of the Company except as conferred by the statute or authorised by the Directors or by a resolution of the Company in general meeting.

**Inspection by Members**

141. The Board of Directors shall lay before each Annual General Meeting a duly authenticated Balance Sheet and Statement of Profit and Loss along with its report made up in accordance with the provisions of Article 144.

**Statement of Accounts to be furnished to general meeting**

142. (1) Save as provided by sub-clause (2) every Balance Sheet and every Statement of Profit and Loss of the Company shall be signed on behalf of the Board of Directors by its Secretary, if any and by not less than two Directors of the Company, one of whom shall be the Managing Director.

**Authentication of Balance Sheet and profit & Loss Account**

- (2) The Balance Sheet and the Statement of Profit and Loss shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to Auditors for their report thereon.

143. The Statement of Profit and Loss shall be annexed to the Balance Sheet and Auditor's Report (including the Auditors' separate, special or supplementary report, if any) shall be attached thereto.

**Profit & Loss Account to be annexed & Auditor's Report to be attached to the Balance Sheet**

144. (1) Every Balance Sheet laid before the Company in Annual General Meeting, shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve in such Balance Sheet, the amount, if any, which it recommends to be paid by way of dividend; and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company

**Board's Report to be attached to the Balance Sheet**

to which the Balance Sheet relates and the date of the Report.

- (2) The Report, shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have accrued during the financial year in the nature of the Company's business; in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.
- (3) The Board shall also give the fullest information and explanation in its Report or in cases falling under the provisions to section 134 of the Act in an addendum to the Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.
- (4) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board, and where he is not so authorised, shall be signed by such number of Directors as are required to sign the Balance Sheet and the Statement of Profit and Loss of the Company by virtue of sub-clause (1) of Article 142.
- (5) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clause (1) and (3) of this Article are complied with.

145. Every Balance Sheet and Statement of Profit and Loss of the Company when audited and adopted by the general meeting, shall be conclusive.

**Accounts when audited and approve to be conclusive**

#### **AUDIT**

146. Every Balance Sheet and Statement of Profit and Loss shall be audited by one or more auditors to be appointed as hereinafter mentioned.

**Accounts to be audited**

147. (a) Once at least in every year, the accounts of the Company shall be examined and the correctness of the Statement of Profit and Loss and Balance Sheet by the auditors of the Company.

**Audit**

(b) The First auditor or auditors of the Company shall be appointed by the Directors within one month of the date of registration of the Company and the auditor or auditors so appointed shall hold office until the conclusion of the first annual general meeting of the Company.

**First Audit**

(c) The Company shall appoint an auditor or auditors at the Annual General Meeting in accordance with the provisions of section 139 of the Act and his/her or

**Appointment and remuneration of auditors**

their appointment, remuneration, rights and duties shall be regulated by Sections 139 to 147 of the Act.

(d) Where the Company has a branch office the provisions of Section 143(8) the Act shall apply.

**Audit of the accounts of the branch by the auditors**

(e) All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the auditors of the Company and the auditors shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as auditor.

**Right of auditor to attend general meeting**

(f) The auditor's report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

#### **DOCUMENTS AND SERVICE OF DOCUMENTS**

148. A document (which expression for this purpose shall be deemed to include and shall include any summon, notice requisition, process, order, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member in the manner prescribed by section 20 of the Act.

**Service of documents**

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

**Members bound by documents sent to previous holders**

150. All notices to be given on the part of member shall be left at or sent by registered post or under certificate of posting to the registered office of the Company.

**Service of notice by members**

151. Any notice to be given by the Company shall be signed by the Managing Director or Secretary, or such other Director or Officer as the Board may appoint. The signature on any notice to be given by the Company may be written or printed or lithographed or be affixed by any other mechanical means.

**How notice to be signed**

#### **AUTHENTICATION OF DOCUMENTS**

152. Save as otherwise expressly provided in the act or these articles, a document or proceeding requiring authentication by the Company may be signed by a director, or secretary or an authorised officer of the Company and need not be under its seal.

**Authentication of documents**

## **WINDING UP**

153. 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 to that as nearly as may be possible, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up (other than the amount of calls paid in advance), 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 paid up at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

### **Distribution of assets**

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

### **Distribution of Assets in specie or kind**

(2) For the propose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members different class of members.

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

## **SECURITY CLAUSE**

155. No member shall be entitled to visit or inspect the company's work without the permission of the Board or Manager or Secretary and to acquire, discovery of or any information in respect of any detail of Company's trading or any matter which is or may be in the nature of a trade secret, process or which may relate to the conduct of the business of the Company and which in the opinion of the Board will be inexpedient in the interest of the members of the Company to communicate to the public.

### **Secrecy Clause**

## INDEMNITY AND RESPONSIBILITY

156. (a) Subject to the provisions of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be duty of Directors to pay out of funds of the Company all costs, losses and expenses (including travelling expenses) which any such Director, Manager, Secretary or officer or employee may incur or become liable to by reason of any contract entered into or deed done by him as such Director, Manager, Secretary or officer or employee or in any way in the discharge of his duties.

**Director's and members  
right of  
Indemnity**

(b) Subject as aforesaid every Director, Manager, Secretary or other officer or employee of the Company shall indemnified against any liability incurred by them or him in defending any proceeding whether civil or criminal in which Judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under section 463 of the Act in which relief is given to him by the court.

157. Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the acts, omissions, neglects, or default of any other Director or Officer or for joining in omission or other act of conformity, or for any loss or expenses suffered by 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 the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company, or Corporation, with whom any moneys securities, or effects shall be entrusted, or deposited, or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation there unless the same happens through his own willful misconduct or neglect or dishonesty.

**Directors and other officers  
responsible for acts of  
others**

Sl. No.	Name, Addresses and Occupation of subscribers	Signature of Subscribers	Name, Address, Description and Occupation of Witness
1	Kailash Kumar Agarwal S/o Shri Arjun Das Agarwal A-2/24, Model Town DELHI - 110009  Businessman	Sd./- K.K. Agarwal	<p>I witness the signatures of all the subscribers.</p> <p>Sd./-H.S. Rustogi S/o L. Nand Kishore Chartered Accountant M.N. 3093 4654/21, Daryaganj, New Delhi - 110002</p>
2	Arjun Das Agarwal S/o Late Sh. Huna Ram Agarwal 8723, Shidi Pura NEW DELHI- 110005 Businessman	Sd./- A.D. Agarwal	
3	Kashmiri Lal Agarwal S/o Late Sh. Huna Ram Agarwal 4-A, New Road Alipur CALCUTTA- 27  Businessman	Sd./- K.L. Agarwal	
4	Duni Chand Agarwal S/o Late Sh. Huna Ram Agarwal 49/34, General Ganj, KANPUR- 208001  Businessman	Sd./- D.C. Agarwal	
5	Krishan Kumar Agarwal S/o Late Sh. Huna Ram Agarwal 10-A, Vivekanand Road CALCUTTA- 7  Businessman	Sd./- K.K. Agarwal	
6	Ashok Kumar Agarwal S/o Shri Jai Narayan Agarwal 10-A, Vivekanand Road CALCUTTA- 7  Businessman	Sd./- A.K. Agarwal	
7	Ram Kumar Agarwal S/o Shri Sant Lal Agarwal C/o Rawalwasia Oil & General Mills Mandi Road, Hisar Haryana  Businessman	Sd./- R.K. Agarwal	

Place: Delhi

Dated the 22<sup>nd</sup>

Day of August, 1981