

**UNDER THE COMPANIES ACT, 1956**  
**(I OF 195)**  
**A COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**COUNTRY CONDO'S LIMITED**  
**(FORMERLY KNOWN AS NEOCURE THERAPEUTICS LIMITED)**

**Table A not a apply but Company to be governed by these articles**

1. The regulations contained in Table "A" in the first Schedule to the Companies Act, 1956 shall not apply to this Company, but the regulation for the management of the Company and for the observance of the members thereof and representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by special resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.

**INTERPRETATION**

2. In the interpretation of these Articles unless repugnant to the subject or context:

**"The Company" or "This Company"**

"The Company" or "This Company" means "COUNTRY CONDO'S LIMITED"

**“The Act”**

“The Act” Means the Companies Act 1956, or any statutory modification or reenactment there of the time being in force.

**“These Articles”**

“These Articles” Means the Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.

**“Alter”**

“Alter” and “Alteration” Shall include the making of additions and deletions.

**“Annual General Meeting”**

“Annual General Meeting” means a General Meeting of the members held in accordance with section 166 of the Act.

**“Auditors”**

“Auditors” Means and includes those persons appointed as such for the time being by the Company.

**“Board” or “Board of Directors”**

“Board” or “Board of Directors” means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board meeting collectively or acting by circular resolution.

**“Capital”**

“Capital” means the share capital for the time being raised or authorized to be raised for the purpose of the Company and includes savings and funds belonging to others which can be used as capital of any other Company or business in the context of the business of the Company.

**“Debenture”**

“Debenture” includes Debenture Stock.

**“Directors”**

“Directors” Means the Directors for the time being of the Company, or as the case may be the Directors assembled at a board collectively or acting by circular resolution.

**“Extraordinary General Meeting”**

“Extraordinary General Meeting” means an Extraordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.

**“Gender”**

“Words” importing the masculine gender also include the feminine gender.

**“In writing” and “written”**

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

**“Legal Representative”**

“Legal Representative” means a person who in law represents the estate of a deceased or incompetent member.

**“Meeting” or “General Meeting Member”**

“Meeting” or “General Meeting Member” means a meeting of the members.

**“Member”**

“Member” means the duly registered holder from time to time of the stock of shares of the Company and includes the subscribers of the Memorandum of Association of the Company.

**”Month”**

“Month” means the calendar month.

**“Office”**

“Office” Means the registered office for the time being of the Company.

**”Ordinary Resolution”**

“Ordinary Resolution” shall have the meaning assigned to it by section 189 of the Act.

**“Paid up”**

“Paid up” Includes credited as paid up.

**“Persons”**

“Persons” includes corporations and firms as well as individuals.

### **“Register of Members”**

“Register of Members” means the Register of Members to be kept pursuant to the Act.

### **“The Registrar”**

“The Registrar” Means the Register of Companies of the State in which the office of the Company is for the time being situated.

### **“Seal”**

“Seal” means the common seal for the time being of the Company.

### **“Secretary”**

“Secretary” Means any individual appointed by the Board to perform the duties of a secretary and includes a temporary or assistant secretary.

### **“Share”**

“Share” means a share in the share capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

### **“Singular Number”**

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

### **“Special Resolution”**

“Special Resolution” shall have the meaning assigned to it by section 189 of the Act.

### **“Year and financial Year”**

“Year” means the calendar year and “Financial Year” Shall have the meaning assigned thereto by section 2(17) of the Act. Save as aforesaid any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

The Marginal notes used in these Articles shall not effect the construction thereof.

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

### **“Capital”**

3. The Authorized Share Capital of the Company is Rs.35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 35,00,00,000 (Thirty Five Crores Only) Equity Share of Re.1/- (Rupees One Only) each.

### **Share at the Disposal of the Directors**

4. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (Subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot share in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any share which may so be allotted may be issued as be fully paid up shares and if so issued shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

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

5. In addition to and without derogating from the power for that purpose conferred on the Board under Article 4 the Company in general meeting may determine that any share whether forming part of the original capital or of any increased capital of the Company shall be offers to such persons (whether members or not) in such proportion and on such terms and condition and either at premium or at par or ( subject to compliance with the provisions of section 79 of the Act) at a discount as such general meeting shall determine and with full power to give to any person (whether a member or not) the option call for or be allotted any class of shares of the Company either at a Premium or at par, or (subject to compliance with the provisions of section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such general meeting or the Company in general meeting may make any other provision, whatsoever for the issue, allotment or disposal of any shares.

### **Further issue of Capital**

6. The Company in general meeting may from time to time increase its shares capital by the creation of further shares, such increases to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act the further shares shall be issued upon such terms and conditions and with such right and privileges annexed thereof, as the general meeting resolving upon the creation thereof shall determine and in particular, such shares may be issued with a preferential qualified right to dividends and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company.

### **Further issue of Shares**

7. (1). Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year form the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscriber capital of the Company by allotment of

further shares whether out of the unissued capital or out of the increased share capital then:

- a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid up on those shares at the date.
  - b) Such offer shall be made by a notice specifying the number of shares offers and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
  - c) The Offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right, PROVIDED THAT the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce to shares offered to him.
  - d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the share offered, the Board of Directors may dispose of them in such manner and to such person(s) as they may think, in their sole discretion, fit.
- (2) Notwithstanding any thing contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include, the persons referred to in clause (a) of sub-clause (1) hereof in any manner whatsoever.
- a) If a special resolution to that effect is passed by the Company in General meeting, or
  - b) Where no such special resolution in passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any of the chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board Of Directors in this behalf, that the proposal is most beneficial to the Company.
- (3) Nothing in sub-clause (c) of (1) hereof shall be deemed:
- a) To extend the time within which the offer should be accepted or
  - b) To authorise any person to exercises the right or renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in the article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

- (i) To convert such debentures or loans into shares in the Company or
- (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- a) Either has been approved by the central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any made by the Government in the behalf and
- b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

#### **Redeemable Preference Shares**

8. Subject to the provisions of the Act, the Company shall have power to issue preference shares which are, or at the option of the Company, are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

#### **Provision applicable in case of Redeemable Preference Shares**

9. On the issue of redeemable preference shares under the provisions of Article 8 hereof, the following provisions shall take effect:

- a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
- b) No such shares shall be redeemed unless they are fully paid,
- c) The Premium, if any payable on the redemption shall be provided for out of the profits of the Company or out of the Company's share premium account, before the shares are redeemed, and
- d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "Capital Redemption Reserve Account". A sum equal to the nominal amount of the shares to be redeemed and the provisions of the Act, relating to the reduction of the share Capital of the Company shall, except as provided under Section 80 of the Act,

apply as if the Capital Redemption Reserve Accounts were paid-up share capital of the Company.

### **Cumulative Convertible Preference Shares**

10. Subject to the provisions of the Act, the Company shall have the power to issue cumulative convertible preference shares to which the following provisions shall apply:
  - a) The dividend payable on the said shares shall be on a preferential basis and shall be at such rate as may be prescribed or permitted under the applicable rules and regulations prevailing at the relevant time.
  - b) The dividend shall be cumulative and arrears shall be payable to the shareholders registered with the Company on the date fixed for determining to whom the dividend then declared is payable.
  - c) All such shares shall be converted into equity shares any time between the expiry of three years and the expiry of five years from the date of allotment of the shares as may be decided by the Board subject to any applicable regulations or sanctions that may be in force at the time. Upon conversion into equity shares the right to receive arrears of dividend if any, on the preference shares up to the date of conversion shall devolve on the holders of the equity shares registered with the Company on the date prescribed in the declaration of the said dividend.
  - d) Such conversion shall be deemed to be redemption of the preference shares out of the proceeds of a fresh issue of shares.
11. Except so far as otherwise provided by the condition of issue or by these Articles any capital raised by the creation of new shares, shall be considered part of the initial capital and shall be subject to the provision herein contained with reference to the payment of calls, and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.
12.
  - 1) The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in accordance with Article 13 and in accordance with Section 100 to 104 or Section 402 or other applicable provisions (if any) of the act.
  - 2) Except to the extent permitted by section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise. Any financial assistance for the purchase of, or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.
  - 3) Nothing in this Article shall affect the Company to redeem any redeemable preference shares issued under these Articles or under section 80 or other relevant provisions (if any) of the Act.



### **Reduction of Capital**

13. The Company may subject to the provisions of Section 78, 80 and 100 to 105 and other applicable provisions (if any of the Act) from to time by special resolution reduce its capital and any Capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular Capital may be paid off on the footing that it may be called up again or otherwise.

### **Consolidation and Division of Capital**

14. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:
  - a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.
  - b) Sub-divide its shares or any of them into shares of smaller amount so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
  - c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

### **Sale of Fractional Shares**

15. If and whenever as the result of issue of new shares or of any consolidation or sub-division of share, any shares becomes held by members in fractions, the Board shall, subject to the provisions of the Act, and the articles and to the directions of the Company in general meeting, if any sell those shares which members hold in fraction for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof, for the purpose of giving effect to any such sale the Board may authorise to transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceeding with reference to the sale

### **Modification of Rights**

16. Wherever the capital by reason of the issue of preference share 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 provision of section 106 and 107 of the Act be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contact on behalf of that class provided such agreements is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of that class or is confirmed by a resolution passed by the votes of not less than three fourth of the votes of the holders of shares of that class at a separate general meeting of the holders of shares of that class and all the provisions

contained in these articles as to general meetings shall mutatis mutandis apply to every such meeting. This article is not to derogate from any power the Company would have if this article were omitted.

#### **Issue of Further Shares on pari passu basis**

17. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of 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.

#### **No Issue with disproportionate rights**

18. The Company shall not issue shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the right attached to the holders of other shares (not being preference shares).

### **SHARES AND CERTIFICATES**

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

19. The Company shall cause to be kept a register and index of members in accordance with section 150 and 151 of the Act, and the companies (issue of share certificates) Rules, 1960 and any modification thereof. Every member who changes his name or address shall give notice of the change of name or address to the Company.

#### **Shares to be numbered progressively**

20. The Shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided.

#### **Directors may Allot Shares Fully Paid-up**

21. Subject to the provisions of the Act, and of these Articles the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any share which may be so allotted may be issued as fully paid-up share and if so issued, shall be deemed to be fully paid-up shares.

#### **Application of premium**

22.
  - 1 Where the Company issued shares at a premium, whether for cash or otherwise, a sum equal to the aggregate shall be transferred to an account, to be called "Share Premium Account" and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this clause, apply as if the share premium account were paid-up capital of the Company.

2. The share premium account may notwithstanding sub-clause (1) hereof, be applied by the Company:
  - a) In paying unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
  - b) In writing off the preliminary expenses of the Company;
  - c) In writing off the expenses of or the commission paid or discount allowed on any issue of shares or debentures of the Company, or
  - d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

### **Installment of Shares**

23. If by the terms of issue of any shares or otherwise the whole or any part of the amount or issue price thereof shall be payable by installments at a fixed time, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time is the registered holder of the shares by his legal representatives.

### **Acceptance of Shares**

24. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of members shall for the purposes of these Articles, be a member.

### **Deposits and Calls etc., to be a debt payable immediately**

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

### **Liability of members**

26. Every member, or his heirs, executors or administrators, shall pay to the Company the proportion of the capital represented by him share or shares which may, for the time being remain unpaid thereon, in such amounts at such time or times and in such manner, as the Board of Directors shall, from time to time, in accordance with the Company's regulation requires or fix for the payment thereof.

### **Limitation of Time for Issue of Certificate**

27. Every member shall be entitled, without payments, to one or more certificates in marketable lots for all the shares of each class of denomination registered in his name,

or if the Directors so approve (upon paying such fee as the Directors may from time to time determine to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the condition of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case be. Every Certificate of shares shall be under the seal of the Company and shall specify the numbers and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the Director may prescribe or approve that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder.

### **Share Certificate**

28. Every member or allottee of shares shall be entitled without payment, to receive one or more certificates in marketable lots for all the shares of the same class registered in his name and specifying the name of the person in whose favour it is issued, the shares certificate number and the distinctive number's of the share to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Provided that if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence. If any members shall require additional certificates he shall pay for each additional certificate (not being in the marketable lot) such sum not exceeding one rupee, as the Board shall determine. The certificate of title to shares shall be issued under the seal of the Company in conformity with the provisions of the Companies (Issue of Share Certificates) rules, 1960 or any statutory modification or re-enactment thereof for the time being in force

### **Joint Allotters or Holders**

29. Any two or more joint allotters or holders of shares shall, for purpose of Article 28 be treated as a single member and the certificate for any share, which may be subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them.

### **Issue of New Certificate in place of one Defaced, Lost or Destroyed**

30. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under the article shall be issued without payment of fees if the directors so decide, or on payment of such Fees (not exceeding

Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where there is on further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated about the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

#### **The First named Joint Holder deemed Sole Holder**

31. If any share stands, in the name of two or more persons, the person first named in the Register of Members, shall as regards receipt of dividends or bonus or in service of notice and/or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof, but the joint holders of a share shall be, severally as well as jointly, liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to these articles.

#### **Company not bound to recognize any Interest in Share other than that of Registered Holder**

32. 1. The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these presents otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or the survivors of them.
2. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognize any benami, trust or other claim or claims or right to or interest in such shares on the part of any other person whether or not it shall have express or implied notice thereof.

#### **Declaration by Person not Holding Beneficial Interest**

33. a). Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such a share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in section 187 C of the a Act.

- b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the persons in whose name the shares stand in the register of members of the Company and such other particulars as may be prescribed as provided in section 187 C of the Act.
- c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 187 C of the Act.
- d) Notwithstanding any thing contained in these Articles, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file, with in the time prescribed from the date of declaration, a return in the prescribed form with the register with regard to such declaration.

#### **Who may hold Shares**

- 34. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a person of unsound mind or in the name of any firm or partnership.

### **UNDERWRITING AND BROKERAGE**

#### **Commission may be paid**

- 35. The Company may, subject to the provisions of Section 76 and other applicable provisions if any of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) or in consideration of his procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any share in, or debentures of the Company. The Commission may be satisfied by the payment of cash or allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other.

#### **Brokerage may be paid**

- 36. The Company may pay sum for brokerage on any issue of shares and debentures which may be lawful.

### **INTEREST OUT OF CAPITAL**

#### **Interest out of Capital**

- 37. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works of buildings, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate

and subject to the conditions and restrictions contained in Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of the plant.

## **CALLS**

### **Directors may make Calls**

38. The Board of Directors may, from time to time, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid not the shares held by them respectively (Whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time, and each member shall pay the amount of every call so made on him to the persons and the times and place appointed by the Board of Directors. A call may be made payable by installments.

### **Call on Shares of the Same Class to be made on Uniform Basis**

39. Where any calls for further share capital are made on shares, such calls shall be made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this article, Shares of the same nominal value on which different amounts have been paid up, shall not be deemed to fall under the same class.

### **Notice of Call**

40. Thirty day's notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment, and to whom such call shall be paid provided that the Board may, at its discretion, revoke the call or postpone it.

### **Calls to Date from Resolution**

41. A Call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at the meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

### **Directors may extend time**

42. The Board of Directors, may from time to time at its discretion, extend the time for the payment of any call, and may extend such time as to all or any of the members who for residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension save a matter of grace and favour.

### **Call to Carry Interest after Due Date**

43. If any members fails to pay a call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the same for the day appointed for the payment

thereof to the time of actual payment not exceeding 18% P.A. as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

#### **Call to Carry Interest after Due Date**

44. Subject to the provision of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the register of members as the holder, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which it is alleged to have become due of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minutes book and that the notice of such call was duly given to the member or his representatives used in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call, not that a quorum was present at the Board at which any call was made, not that the meeting at which any call was made was duly convened or constituted not any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

#### **Payment in Anticipation of Call may carry Interest**

45. The Directors may, if they think fit, subject to the provisions of section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance had been made, the Company may pay interest at such rates, not exceeding, 18% per annum as the member paying such sum in advance and the Director agree upon provided that money paid in advance or calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay amount so advanced.

The member shall not be entitled to any voting rights in rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

The Provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

### **FORFEITURE, SURRENDER AND LIEN**

#### **If Call or Installment not Paid Notice may be Given**

46. If any member falls to pay any call or installment of a call in respect of any share on or before the day appointed for the payment of the same, the Board may at any time thereafter, during such time as the call or installment remains unpaid serve a notice on such member or in the person (if any) entitled to the share by transmission requiring



him to pay the same together with any interest that may have accrued by the Company by reason of such non-payment.

### **Form of Notice**

47. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call installment and such interest is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the call was made or installment was payable, will be liable to be forfeited.

### **In Default of Payment Shares to be Forfeited**

48. If the requisitions of any such notice as aforesaid are not complied with any share in respect of which notice has been given May at any time thereafter, before the calls or installments and interest are paid, be forfeited by a resolution of the Board to effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture.

### **Notice after Forfeiture**

49. When any share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

### **Forfeited Shares to become Property of the Company**

50. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

### **Power to Annual Forfeiture**

51. The Board may, at any time before any share so forfeited shall have been sold; re-allotted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right, upon such terms and conditions, as it may think fit.

### **Arrears to be Paid notwithstanding Forfeiture**

52. Any member whose shares shall have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until the payment, at such rate not exceeding fifteen percent per annum as the Board may determine and the Board may determine payment; of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

### **Effect of Forfeiture**

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

### **Precedes how to be applied**

54. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debt, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

### **Certificate of Forfeiture**

55. A certificate in writing signed by two Directors and counter-signed by the Managing Director or the Secretary of the Company that the call in respect of a share was made and notice thereof given, and the default in payment of the call was made and that the forfeiture was made by a resolution of the Board to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such share.

### **Title of Purchaser and Allottee**

56. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share. Any such purchase or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to the country) to any of the dividends, interest or bonuses accrued or which might have accrued up on the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceeding with reference to the forfeiture, sale, re-allotment or disposal of the share.

### **Partial Payment not to Preclude**

57. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

### **Forfeiture the Provisions of these Articles as to Forfeiture to Apply in case of Non-Payment of any Sum**

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

### **Board may Accept Surrender of Shares**

59. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

### **Company's Lien on Share / Debentures**

60. The Company shall have a first and paramount lien upon all the shares / debentures (other than fully paid-up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in any share shall be created except upon the footing and condition that this article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any, on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from the provision of these clause.

### **Enforcing Lien by Sale**

61. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intension to sell shall have been served on such member, his heirs, executors, administrators or other legal representatives, as the case may be, and default shall have been made by him or them in payment, fulfillment or discharge of such debts; liabilities or engagements for seven days after the date of such notice.

### **Application of Proceed of Sale**

62. The Company shall receive the net proceeding of any such sale and applied in or towards satisfaction of the said debts liabilities or engagements and the residue if any shall be paid to such member his heirs, executors, administrators or other legal representatives as the case may be.

### **Validity of Sale in Exercise of Lien and After Forfeiture**

63. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the power hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and issue the purchasers name to be entered in the register in respect of the shares sold, and the purchaser shall not be

bound to see to the regularity of the proceeding, nor to the application of the purchase money and after his name has been entered in the register of member in respect of the shares the validity of the sale shall not be impeached by any person, and the remedy of the person aggrieved by the sale shall be in damages only and against the Company exclusively.

#### **Board of Directors may Issue New Certificates**

64. Where any shares under the power in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares (unless the some shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) Stand cancelled and become null and void and of no effect and the board of directors may Issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

#### **Money Due from the Company may be set off against Money Due to the Company**

65. Any money due form the Company to a member may without the consent and notwithstanding the objection of such member, be applied by the Company in or towards the payment of any money due, from him to the Company for calls or otherwise.

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

#### **Register of Transfer**

66. The Company shall keep a book to be called the register of transfer and therein shall be fairly and distinctly entered the particulars of every transfer of transmission of any shares

#### **Execution of Transfer etc.,**

67. Subject to the provisions of the Act, and these Articles, no transfer of shares in, or debentures of the Company shall be registered, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name address and occupation, if any, of the transferee has been delivered to the Company along with the certificate relating to the shares or debentures or if no such certificate is in existence along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof shares of different classes shall not be included in the same instrument of transfer.

#### **Instrument of Transfer**

68. The instrument of the transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof.

### **Directors May Refuse to Register Transfer**

69. Subject to the provision of section III of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reason, decline to register or acknowledge any transfer of share whether fully paid or not and the right or refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferee notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either along or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of shares / debentures in whatever lot shall not be refused.

### **No Transfer to a Person of Unsound Mind**

70. No share shall in any circumstances be allotted or transferred to any insolvent or person of unsound mind.

### **Transfer of Shares**

71. 1. An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.
2. Where the application is made by the transferor and relates to partly paid share, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the Notice.
3. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary of post.
4. If the Company refuses to register the transfer of any share or transmission or freight therein, the Company shall within one month from the date on which the instrument of transfer, or the intimation as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person given intimation of such transmission as the case may be.
5. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

### **Transfer to be Left at Office as Evidence of Title Given**

72. Every instrument of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such

other evidence as the Company may require proving the title of the transferor or his right to transfer the shares.

#### **When Transfer to be Retained**

73. All instrument of transfer, which are registered shall be retained by the Company, but any instrument of transfer, which the Board declines to register shall on demand be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying, with the Company after such period not being less than six years as it may determine.

#### **Transfer Books When Closed**

74. The Board may after giving not less than seven day previous notice by advertisement as required by section 154 of the Act, close the Register of members or the register of Debenture Holders for any period or periods not exceeding in the aggregate, 45 (forty five) days in each year, but not exceeding 30 days at any time.

#### **Death of One or More Joint Holders of Shares**

75. In the case of death of anyone or more of the persons named in the register of members as joint shareholders of any shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estates of a joint shareholder from any liability to the Company on shares hold by him jointly, with any other person.

#### **Title to Shares of Deceased Holder**

76. Subject to Article 75, the heir, executor or administrator of a deceased shareholder shall be the only person recognised by the Company as having any title to his shares and the Company shall not be bound to recognise such heir, executor or administration unless such heir, executor or administrator shall have first obtained probate or letters of administration or succession certificate.

#### **Transmission of Shares**

77. 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 these presents, may with the consent of the Board thinks (which it shall not be under any obligation to give) upon, producing such evidence as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him, 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 election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

### **Board may refuse to Transmit**

78. The Board shall, subject to the provisions of Articles 69 hereof, have the same right to refuse to register a person entitled by transmission to any share, or his nominees, as if he were the transferee named in any ordinary transfer presented for registration.

### **Board may require Evidence of Transmission**

79. Every transmission of shares shall be verified in such manner as, the Board may require and if the Board so desires, be accompanied by such evidence as may be though necessary and the Company may refuse to register any such transmission until the same be so verified or requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Board to accept any indemnity.

### **Transfer by Legal Representative**

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

### **Certificate of Transfer**

81. The certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as representation by the Company to any person action on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures.

### **The Company not Liable for Dis-Regard of a Notice prohibiting Registration of a Transfer**

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

No fee shall be charged for registration of transfer, transmission, probate, Succession Certificate and Letters of administration, certificate of Death or marriage, power of Attorney or similar other document.

## **JOINT HOLDERS**

### **No Fee on Transfer or Transmission**

83. Subject to the provision of the Act, the Board may refuse to transfer a share or shares in the joint names of more than four persons.
84. Where more than one person is registered as the holder of any share the person first named in the Register of Members as one of the joint holders of a share shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in these Articles:
  - A. 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 share.
  - B. On the death of any such joint holder the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the shares but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
  - C. Anyone of the several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.
  - D. Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in these Article) from the Company and any document served on or sent to such person shall be deemed service on all the joint holders.
  - E. Anyone or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one of such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares 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 entitle to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or 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 shall, for the purpose off this Article be deemed joint holders.



## **CONVERSION OF SHARES INTO STOCK**

### **Board may refuse Transfer to More than Four Names Joint Holders**

85. The Board may, with the sanction of a general meeting, convert any paid up share into stock and when any share have been converted into stock the several holders of such stock may henceforth, transfer their respective interest therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up shares in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable and direct that fraction of a rupee shall not be dealt with, with power nevertheless at their discretion to waive such rule in any particular case.

### **Shares may be converted into Stock**

86. The Stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meeting of the Company and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages, except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares, in shares, have conferred such privileges or advantage. No such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Same as aforesaid all the provisions herein contained shall, so far as circumstance will admit, apply to stock as well as to shares. The Company may at any time re-convert any such stock into fully paid up shares of any denomination.

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

### **Copies of Memorandum or Articles to be Send**

87. Copies of the memorandum and Articles of Association of the Company and other documents referred to in section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee One for each copy

## **BORROWING POWERS**

### **Power to Borrow**

88. Subject to the provisions of section 292 and 293 of the Act, the Board may, from time to time at its discretion accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

### **Payment of Re-Payment of Monies Borrowed**

89. Subject to the provisions of the previous Article the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) including by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled for the time being, and debenture stock and other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

### **Term of Issue of Debenture**

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

### **Register of Mortgages etc., be Kept**

91. The Board shall cause a proper Register to be kept in accordance with the provisions of section 143 of the Act, of the mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of sections 118, 125 and 127 to 144 ( both inclusive) of the Act in that behalf to be complied with by the Board.

### **Register and Index of Debenture Holders**

92. The Company shall, if at any time it issues debentures, keep a Register and index of Debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or country outside India a branch Register of Debenture Holders resident in that State or country.

## **SHARE WARRANTS**

### **Power to Issue Share Warrants**

- 93 The Company may issue share warrants subject to and in accordance with the provisions of sections 144, and 115, and accordingly the Board may in its discretion, with respect to any share which is fully paid up, on an application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the persons signing the application, and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

### **Deposit of the Share Warrant**

- 94 (a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company and, so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of Members as the holder of the share included in the deposited warrant.
- (b) Not more than one person shall be recognized as depositor of the share warrant.
- (c) The Company shall, on two days 'written notice return the deposited share warrant to the depositor.

### **Privileges and Disabilities of the Holders of Share Warrants**

- 95 (a) Subject as herein otherwise expressly provided, on person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notices from the Company.
- (b) The bearer of share warrant shall be entitled in all, other respects to the same privileges and advantages as if he were named in the register of Members, as the holder of the share included in the warrant and he shall be the member of the Company.

### **Issue of New Share Warrant for Coupon**

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

### **Annual General Meeting**

97. (a) Subject to section 166 of the Act the Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meeting as such in the notice calling it, and not more than fifteen months shall lapse between the date of one annual general meeting of the Company and that of the next, subject however to the right of the register under the Act to extend the time within which any annual general meeting may be held.
- (b) Every annual general meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated.

### **Annual Return**

98. The Company shall in accordance with section 159 of the Act, within sixty days from the day on which the annual general meeting is held, prepare and file with the

Registrar a return in the form set out in Schedule V to the Act, or as near as thereto as the circumstances shall admit and containing the particulars specified in the said Schedule V together with three copies of the balance sheet and the profit and loss account laid before the annual general meeting in accordance with section 210 of the Act.

### **Distinction between Annual General Meeting and Extraordinary General Meeting**

99. The General Meeting referred to in Article 97 shall be called and styled as a annual general meeting and all meetings other than the annual general meeting shall be called extraordinary general meeting.

### **Calling of Extraordinary General Meeting**

100. The Board may, whenever it thinks fit, call an extraordinary general meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an extraordinary general meeting of the Company and in the case of such requisition the provisions of section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

### **Length of Notice for Calling Meeting**

101. 1. A general meeting of the Company may be called by giving not less than twenty-one days notice in writing.
2. A general meeting may be called after giving shorter notice than that specified in sub-clause (1) hereof if consent is accorded thereto:
1. In case an annual general meeting, by all the members entitled to vote there at and,
  2. In case of any other meeting by members of the Company holding not less than ninety five percent of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote on some resolutions to be moved at the meeting and not one of the others, those members be taken into account for the purpose of the sub-clause in respect of the former resolution or resolution and not in respect of the latter.

### **Contents and Manner of Notice and Persons on whom it is to be served**

102. 1. Every notice of the meeting of the Company shall specify the place and the day and the hour of the meeting and shall contain a statement on the business to be transacted thereat.

- 2 Notice of every meeting of the Company shall be given:
  1. To every member of the Company in any manner authorised by sub-sections (1) to (4) of section 53 of the act;
  2. To the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them or by name or by the title of titled of representatives of the deceased, or assignee of the insolvent, or by, any like description, at the, address, if any, in India supplied for the purpose by the person claiming to be so entitled or, until such an address has been so supplied by giving us in the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
  3. To the auditor/auditors for the time being of the Company in any manner authorised section 53 of the Act in the case of any member or members of the Company.
  4. Provided that where the notice of a meetings given by advertising the same in newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of section 53 of the act, the statement of material fact referred to in section 173 of the Act need not be annexed to the notice at required by that section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.
- 3 The accidental omission to give notice to or non-receipt of notice by any member or to whom it should be given shall not invalidate the proceedings in the meeting.
- 4 Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the 'meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.

### **Special Business**

103. All business to be transacted at an annual general meeting with the exception of business relating to
  1. The consideration of the accounts, balance sheets and the reports of the Board of Directors, and auditors.
  2. The declaration of the dividend
  3. The appointment of directors in place of those retiring and
  4. The appointment and the fixing of the remuneration of auditors, and all business to be transacted at any other meeting of the Company shall be deemed "Special".

### **Explanatory Statement to be annexed to Notice**

104. Where any items of business to be transacted at any meeting of the Company or deemed to be Special as aforesaid, there shall be annexed to the notice of the meeting an explanatory statement setting out all material facts concerning each item of business including in particular the nature and extent of the interest if any, therein, of Every Director and of the managing director and specifying where any item of business consists of the according of approval to any document by the meeting the time and place, where the document can be inspected.

Provided that where any such item of special business at the meeting of the Company, relates to or affects any other Company the extent of share holding interest in that other Company of every director of the Company shall also be set out in the statement, if the extent of such share holding interest is not less than 20% of the paid up share capital of that other Company .

105. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business, which has not been specially mentioned in the notice upon which it is convened.

### **Quorum**

106. Five members entitled to vote and present in person shall be a Quorum for a general meeting. When more than one of the joint holders of a share is present, not more than one of them shall be counted for determining the Quorum. Several executors or administrators of a deceased person in whose sole name, a share stands shall, for the purpose of this article, be deemed joint holders thereof. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with section 187 of the act. The President of the India or the Governor of the State being a member of the Company shall be deemed to be personally present if he is represented if he is represented in accordance with section 187A of the act.

### **Presence of Quorum**

107. No business shall be transacted at any general meeting unless the requisite Quorum shall be present at the commencement of the business.

### **If Quorum not present, Meeting when to be Dissolved and when to be Adjourned**

108. If within half an hour from the time appointed for holding the meeting a Quorum is not present the meeting if called upon the requisition of members shall stand dissolved. But in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or if that day is public holiday until the next succeeding day in the next week which is not a public holiday, or to such other day, time and place as the board may determine.
109. If at the adjourned meeting, a Quorum is not present within a half an hour from the time appointed for holding the meeting, the members present shall be a Quorum and may transact the business for which the meeting was called.

### **Resolution passed at Adjourned Meeting**

110. A resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

### **Power to Adjourn General Meeting**

111. (a) The Chairman of the General Meeting may adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(b) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an Original Meeting.

(c) Save as aforesaid, it shall not be necessary to give any notice adjournment of or of the business to be transacted at any adjourned meeting. Chairman of General Meeting

112. The Chairman of the Board, and, in his absence, the Vice Chairman of the Board, shall preside as Chairman at every general meeting, annual or extra-ordinary. If there be no Chairman or Vice Chairman of the Board or if neither of them is present within fifteen minutes after the time appointed for holding such meeting, the directors present may choose one of their number to be Chairman and in default of their doing so the members present shall choose one of the Directors to be Chairman and if no Director present willing to take the chair, shall, on a show of hands, elect one of their number rot be Chairman of the meeting. 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, and the Chairman elected on a show of hands shall, for that meeting, exercise all the powers of the Chairman under the said provisions. If a result of the polls, some other person is elected Chairman, he shall be the Chairman for the rest of the meeting.

### **Business Confined to Election of Chairman while Chair Vacant**

113. No business shall be discussed at any general meeting except the election of the Chairman while the chair is vacant.

### **Resolution must be Proposed and Seconded**

114. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting, shall be discussed not put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

### **How Question to be Decided at Meetings**

115. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded as provided in these Articles.

### **Declaration of Chairman to be Conclusive**

116. A declaration by the Chairman that on a show of hands, a resolution has or has not been carried, or has been carried unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
117. 1. Before or on the declaration of the result of the voting on any resolution on a show of hands, poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding share in the Company which confer a power to vote on the resolution, not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up.
2. The demand for a poll maybe with drawn at any time by the person or persons who made the demand.

### **Time of Taking Poll**

118. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not exceeding 48 (forty eight) hours from the time when the demand was made, as the Chairman of the meeting may direct.

### **Scrutinizers at Poll**

119. Where a poll is to be taken, the chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutinizer of office and to fill vacancies in the office of scrutinizers arising from such removal or from any other cause of the two scrutinizers so to be appointed. One shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and is willing to be appointed.

### **Business may proceed notwithstanding Demand for Poll**

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

### **Chairman's Casting Vote**

121. In the case of equality of votes the chairman shall, both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.



### **Manner of Taking Poll and Result Thereof**

122. 1. Subject to the provisions of the Act, the chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
2. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

### **VOTE OF MEMBERS**

#### **Members in Arrears Not to Vote**

123. No member shall be entitled to vote either personally or by proxy at any general meeting or meetings of a class of share holders either upon a show of hands or upon a poll in respect of any shares registered in this name of 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..

#### **Number of Votes to which Members Entitled**

124. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member not disqualified by the last preceding Article shall be entitled to be present. And to speak and vote at such meeting, and one show of hands every member present or by proxy shall be in proportion to this share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of the sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

#### **Casting of Votes by a Member Entitled to More Than One Vote**

125. On a poll taken at a meeting of the Company, a member entitled to more than one vote. Or his proxy or other person entitled to vote for him as the case maybe, need not. If he votes use all his votes or case in the same way all the votes he uses.

#### **How Members non Composement is and minors may vote**

126. Without prejudice to Article 70 a member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian. And any such committee or legal guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

### **Vote of Joint Members**

127. If there be joint registered holders of any shares, anyone of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint-holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles as deemed joint-holders, thereof.

### **Voting in Person or by Proxy Deceased and Insolvent Member**

128. Subject to the provisions of these Articles, votes may be given either personally or by an attorney or by proxy. A body corporate being a Member may vote either by proxy or by a representative duly authorized in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise it if it were an individual member.

### **Voting in respect of Shares of Decease and Insolvent Member**

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

### **Appointment of Proxy**

130. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation, under the common seal of such corporation, or be signed by an officer or any attorney duly authorized by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

### **Proxy either for Specified Meeting or for a Period**

131. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof, or if may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

### **Proxy to Vote only on Poll**

132. A member present by proxy shall be entitled to vote only on a poll.

### **Deposit of Instrument of Appointment**

133. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the Registered Office not later than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

### **Form of Proxy**

134. Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit be in any of the Forms set out in Schedule IX of the Act.

### **Validity of Votes given by Proxy notwithstanding Death of Member**

135. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of the authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provide that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Time for Objection of Votes**

136. No objection shall be made to the validity of any vote except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

### **Chairman of the Meeting to be the Judge of Validity of any Vote**

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

### **Minutes of General Meeting and Inspection thereof by Members**

138. (a) The Company shall cause the minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Every page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or, in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.

- (c) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (d) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- (e) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting is or could reasonably be regarded as defamatory of any person or II. Is irrelevant or immaterial to the proceedings, or III. Is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion non-inclusion of any matter in the minutes on the aforesaid grounds.
- (f) Ant such minutes shall be evidence of the proceeding recorded therein.
- (g) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

## **DIRECTORS**

### **Number of Directors**

139. Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 252 of the Act, the number of directions shall not be less than three and more than twelve include of all kinds of Director if any.

### **First Directors**

140. The following persons shall be the first Directors of the Company

1. SRI D. KRISHNA KUMAR RAJU
2. SRI P. SAMBASIVA RAJU
3. SRI P. KANAKA DURGA RAJU
4. SRI D. ATCHUTA RAMA RAJU

### **Power of Directors to Appoint Additional Directors and to Fill Casual Vacancies**

141. Subject to the provisions of Section 260, 263, 264 and 284 (6) of II Act and subject to these Articles the Directors shall have power at any time and from time to time to appoint any other person as a Director either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at ant time exceed the maximum number fixed.

### **Nominee Directors**

142. Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution, or any person or persons

(hereinafter referred to as (“the appointer”) for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company, the board shall have, subject to the provisions of Section 255 of the act, the power to agree that such appointer have if and to the extent provide by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualifications shares. The Board may also agree that any such Director or Directors may be removed form time to time by the appointer entitled to appoint another or other in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the other Directors of the Company, including payment of remuneration and traveling expenses to such Director, as may be agreed by the Company with the appointer.

### **IFC Nominee Director**

142. (A) The Board may, if it deems fit, agree, as a term of any agreement entered into between the Company and international Finance Corporation, an international institution established by articles of agreement amongst its member countries including Republic of India (referred to as IFC) if and as long as IFC Washington shall hold not less than such, percentages as the Board shall decide of the paid up equity share capital of the Company, IFC shall have the right to appoint by a notice in writing addressed to the Company, one Director on the Board for such period and upon such conditions as may be specified in the agreement and that such Director, subject to the provisions of section 255 of the Act, shall not be liable to retire by rotation nor be required to hold any qualification shares. The Board may also agree that any such Director may be removed from time to time by IFC and IFC may appoint another in his place and also fill any vacancy, which may occur as a result of any such Director ceasing to hold that office for any other reason whatsoever.
- (B) The Board if it deems fit, agree as a terms of agreement entered into between the Company and any other Financial Institution/ Development institution the provision in 142 (A) will be applicable to such other Institution as is applicable to IFC mentioned in 142 (A).

### **Debenture Director**

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

### **Qualification of Directors**

144. A Director need not hold any qualification shares.

### **Remuneration of Directors**

145. (1) Subject to the provisions of the Act, a Managing Director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profit of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director, may be paid remunerations:
- I. By way of monthly, quarterly or annual payment with the approval of the Central Government, or;
  - II. By way of commission if the Company by a special, resolution authorizes such payments.
- (3) The fee payable to a Director (including a Managing or Whole time Director, if any) for attending a meeting of the Board or Committee thereof shall be the maximum sitting fee as may be prescribed by the Central Government under Section 310 of the Act as applied to the Company at any given time.
- (4) If any Director be called upon to perform extra services or exertions or efforts (which expression 'shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special' exertion either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in additions to or in substitution for his remuneration above provided.

### **Traveling Expenses Incurred by a Director, not a Bonafide Resident or by Director Going out On Company's Business**

146. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling , boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any Director be called upon to go or residue out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

### **Payment of Pension etc., to Director who held Salaried Office etc., with the Company**

147. The Board on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any office or place of profit, salaried or otherwise, with the Company, or to his widow or dependants and may make

contributions to any fund such as a provident fund and pay premiums for the purchase or provision of any gratuity pension or allowance.

### **Directors may Act notwithstanding Vacancy**

148. The Continuing Director may act notwithstanding any Vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these articles for a meeting of the Board, the Continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company but for no other purpose.
149. 1. Every director of the Company who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors.
2. a. In the case of proposed contract or arrangement the disclosure required to be made by Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.
- b. In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
3. a. For the purpose of clause (1) and (2) hereof. A general notice given to the Board by a Director to the effect that he is a Director or a member of specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
- b. Any such general notice shall at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time. By fresh notice in the last month of the financial year in which it would otherwise have expired.
- c. No such general notice and no renewal thereof shall be effective unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- d. Nothing in this Article shall apply to any contract or arrangement entered into between two companies when any one of the Directors of the Company or two of them together holds or hold not more than two percent of the paid up share capital in the other Company.

### **Interested Director Not to Participate or Vote on Boards Proceedings**

150. No Director of the Company shall, as Director, take part in the discussion of or vote on any contract or arrangement entered into or to be entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or is interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of the any such discussion or vote and if he does vote his vote shall be void, provided however that a Director may vote on any contract of indemnity against any loss which the Directors or anyone or more of them may suffer by reason or becoming or being sureties or surety for the Company.

### **Board's Sanction to be required for Certain Contracts in which Particular Director is Interested**

151. A Director of the Company or his relative a firm in which such, Director or relative is partner, any other partner in such firm or a private Company of which the Director is a member or Director shall not enter into a contract with the Company, except to the extent subject to the provisions of the Act.

## **RETIREMENT AND ROTATION OF DIRECTORS**

### **Retirement of Directors by Rotation**

152. 1) At every annual general meeting, one third of such of Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then number nearest to one-third shall retire from office.
- 2) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in the of since their last appointment but as between persons become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- 3) At the annual general meeting at which a Director retires as aforesaid the Company may fill up the vacancy by appointing the retiring Director who shall be eligible for re-appointment or some other person thereto.
- 4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless:
1. At the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to vote and lost;



2. The retiring Director has by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed.
3. He is not qualified or is disqualified for appointment.
4. A resolution, whether special or ordinary, is required for his appointment by virtue of any of the provisions of the act; or
5. The proviso to sub-section, (2) of Section 263 of the Act is applicable to the case.

#### **Appointment of Director to be voted Individually**

153. (1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- (2) A resolution moved in contravention of clause (1) shall be void whether or not objection was taken at the time of its being so moved is passed, no provision for the automatic reappointment shall apply.
- (3) For the purpose of this clause a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for this appointment.
154. (1) A person who is not a retiring Director shall subject to the provisions of the act be eligible for appointment to the office of Director at any general meeting. If he or some member intending to propose him has not less than fourteen days before and meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidature for that office, as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director.
- (2) The Company shall inform its members of the candidates of a person for the office of Director or the intention of member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting.

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the Local language.

- (3) Every person proposed as a candidate for the office of Director shall sign and file with the Company his consent to act as a director if appointed and every person other than a director re-appointed after retirement by rotation shall not

act as a Director of the Company unless he has within 30 days of his appointment, signed and filed with the Registrar, his consent in writing to act as such Director.

### **Resignation of Directors**

155. A Director may at any time give notice in writing of his intention to resign by addressing it to the Board of Directors of the Company and delivering such notice to the Secretary or leaving the same at the Registered Office of the Company, and thereupon his office shall be vacated.

### **Register of Directors and Notification of Change to Registrar**

156. The Company shall keep at its registered office a register of Directors, Managing Directors, Manager and Secretary containing the particulars as required by section 303 of the act, and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its directors, Managing Directors, Manager and Secretary or any of the particulars contained in the register as required by section 303 of the Act.

## **REMOVAL OF DIRECTORS**

### **Removal of Directors**

157. (1) The Company may by ordinary resolution remove a Director not being a Nominee Director appointed under Article 142 or a Debenture Director appointed under Article 143 and not being a Director appointed by the Central Government in pursuance of Section 408 of the Act, before the expiry of his period of office.
- (2) Special notice shall be required of any resolution to remove a Director under this article or to appoint somebody instead of a director so removed at the meeting at which he is removed.
- (3) On receipt of notice of a resolution to remove a Director under this Article. The Company shall forthwith send a copy thereof to the Director concerned and the Director shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it to do so.
- a) In any notice of the resolution given to the members of the Company, state the fact of the representations having been made, and
- b) Send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after receipt of, the representation by the Company) and if a copy of the representation is not sent as aforesaid because they were received too late or because of the

Company's default the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting, provided that copies of the representations need not be sent out and the representations need not be read out at the meeting, if on the application either of the Company or of any other person who claims to be aggrieved a court of competent jurisdiction is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

- (5) A vacancy created by the removal of a Director under this Article may if he had been appointed by the Company in general meeting or by the Board under Article 141 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed provided special notice of the intended appointment has been given. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.
- (6) If the vacancy is not filled up under clause (5) hereof it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable of Article 141 hereof and all the provisions of that Article, shall apply accordingly. Provided that the director who is removed from office under this Article shall not be reappointed as a Director by the Board of Directors.
- (7) Nothing contained in this Article shall be taken:
- (8) As depriving a person removed there under of any compensation or damages payable to him in respect of any appointment terminating with that as Director, or
- (9) As derogating from any power to remove a Director which may exist apart from this Article.

## **PROCEEDINGS OF DIRECTORS**

### **Proceedings of Directors**

158. (a) The Board of Directors may meet together for the dispatch of business adjourn and. Otherwise regulate its meetings and proceedings as it may think fit.
- (b) A meeting of the Board of Director shall be held at least once in every three months and at least four such meeting shall be held in every year.
- (c) The Chairman, if any, or in his absence, the Vice Chairman, if any, of the Board of Directors may at any time, and the Managing Director, if any or the Secretary on the requisition of a Director, shall summon a meeting of the Board.
- (d) Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.

## **Quorum**

159. (a) Subject to section 287 of the Act quorum for a meeting of the Board shall be one third of the total strength of the Board (any fraction contained in, the one. Third being rounded off, as one) or two Directors whichever is higher; provided that where at any meeting the number of interested Directors exceeds, or is equal to two third of the total strength, the number of the remaining Director, that is to say the number of the Directors shall be the quorum during such time.
- (b) For the purpose of clause (a)
- I. "Total strength" means the total strength of the Board of Directors of the Company as determined in pursuance of the Act, after deducting there from the number of Director of Directors if any, whose places may be vacant at the time, and
  - II. "Interested Directors" means any director whose presence cannot by reason of Article 151 hereof or any other provisions in the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of discussion or vote on any matter.

## **Decision of Questions**

160. Subject to the provisions of the Act, questions arising at any meetings of the Board, Shall be decide by a majority of votes, and in case of equality of votes, the chairman of the meeting shall have a second or casting vote.

## **Board may Appoint Chairman**

161. (1) The Board may elect a Chairman of the Board and may elect also a Vice Chairman of the Board each of whom shall hold office until otherwise decided by the Board.
- (2) The Chairman and, in his absence, the Vice Chairman, Shall preside at all meetings of the Board and each of them shall perform such other functions as are assigned to them respectively under the Articles.
- (3) If neither Chairman nor Vice Chairman be present within ten minutes of the time appointed for holding a Board Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

## **Power of Board Meetings**

162. A meeting of the Board at which a quorum is present shall be competent to exercise all, or any of the authorities, powers and discretions which by or under the Act or the articles are for the time being vested in or excisable by the Board generally.
163. Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of its powers to a Committee of the Board consisting of such number of members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee. Any such committee of the Board so formed, shall in

the exercise of the power so delegated conform to any regulation that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment, but not otherwise shall have the like force and effect as if done by the Board.

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

164. The meeting and proceedings of any such committee of Board Consisting of two or more persons shall be governed by the provision herein contained for regulating the meeting and proceedings of the Board. So far as the same are applicable there to and are not super seeded by any regulations made by the board under the last proceeding Articles.

### **All Acts of the Board of Committee Valid notwithstanding Defective Appointment**

165. All acts done by any meeting, of the Board or by Committee of the Board or by any person acting as director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such directors or Committee or person acting as aforesaid or that they or any of them were or was disqualified or had vacated office, or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a director and had not vacated office or his appointment had not been terminated. Provided that nothing in this article shall be deemed to give valid to act done by a director, after his appointment has been shown to the Company to be invalid or to have terminated.
166. (1) No resolution shall be deemed to have duly passed by the Board or by a committee thereof by circulation unless 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, then in India (not being less in number than the quorum fixed for a meeting of the Board or committee as the case may be) and to all other director or members at usual address in India or by a majority of them as are entitled to vote on the resolution.
- (2) A resolution passed by circular without a meeting of the Board or of a committee of the board shall subject to the provision of sub-clause (1) hereof be as valid and effectual as a resolution duly passed at a meeting of the Board or of the committee duly called and held.

### **General Power of the Board**

167. (1) subject to the provision of the Act these articles the Board of Directors of the Company shall be entitled to exercise all such power and to do all such acts and things as the Company is authorized to exercise and do.

Provided that the board shall not exercise any power or do any act or thing which is directed or required, whether by the act or any other act or by the memorandum of Association of the Company or these Articles or otherwise, to be exercised or done by the Company in general meeting.

Provided further that in exercising any such power or doing any such power or doing any such act or thing the board shall be subject to the provisions contained in this behalf in the Act or in any other act on in the Memorandum of Association or in any regulations not inconsistent therewith and duly made there under including regulations made by the Company in general meeting.

- (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.

168. The Board shall not, except with consent of the Company in general meeting.

- (a) Sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking.
- (b) Invest, otherwise than in trust securities the amount of compensations received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a) of any premises or properties used for any such undertakings and without which it cannot be carried on or can be carried an or can be carried on only with difficulty or only after a considerable time.
- (c) Borrow moneys where the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in ordinary course of business or fixed deposits raised as per RBI guidelines) will exceed the aggregate of the paid up capital of the Company and its free reserves that is to reserves not set apart for any specific purpose provided further that the powers specified in section 292 of the Act, shall subject to these articles be exercised only at meetings of the Board unless the same be delegated to the extent therein stated or.
- (d) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of section 349 and 350 of the Act during the three financial years immediately preceding which ever is greater.

### **Execution of Indemnity**

169. If the directors or any of them or any other persons shall become personally able for the payment of any sum primarily due form the Company the board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part o f the assets of the Company by way of indemnity against any loss which the directors or any or more of them may suffer by reason of becoming or being surety for the Company more of them may suffer by reason of becoming or being sureties or surety for the Company.

### **Certain Powers of the Board:**

170. Without prejudice to the general powers conferred by article 167 and the other powers conferred by these articles and section 291 of the act, so as not in any way to limit or restrict those powers, but subject however to the provisions of the act, it is here by expressly declared that the board shall have the following powers:

- 1) To pay the costs, charges and expenses incurred preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- 2) Subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property moveable or immovable, rights and privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as it may think fit, and in any such purchase or other acquisition to accept such titles as the board may believe or may be advised to be reasonably satisfactory.
- 3) As its discretion and subject to the provisions of the Act, to pay for any property, rights and privileges, acquired by or for services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, debenture-stock or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, debentures-stock or other securities may be either, specifically charged upon all of any part of the property of the Company including its uncalled capital or not so charged.
- 4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all any of the property of the Company and its uncalled capital for the time being or in such other manner as it may think fit.
- 5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents, and employees, for payment, temporary or special services as it may from time to time think fit, and to determine their powers and duties and fix their salaries, emoluments or remuneration and to require security in such instances and of such amounts as it may think fit.
- 6) To accept from any member, subject to the provisions of the Act, a surrender of his share or, any part there of on such terms and conditions as shall be agreed.
- 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company .or in which it is interested, or for any other purpose, and to execute and do all such deeds things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims, or demands by or against the

Company, and to refer any differences to Arbitration and observe the terms of any awards made there in either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge an award made there in.

- 9) To refer any claims of demands by or against the Company or any differences to “arbitration” and observe and perform the awards, except by an order of a court to the contrary.
- 10) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- 11) To make and give receipts releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- 12) To open and operate bank accounts to determine from time to time who shall be entitled sign on the Company’s behalf bills, notes, receipts, acceptance, endorsements, cheques, hundies, bills of exchange, negotiable instruments, leases and related documents, divided warrants releases, contracts and documents and to discount endorse or co-accept bills and to give necessary authority for such-purpose.
- 13) Subject to the provisions of the Act, and these articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as may think fit, and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such-terms as may be though fit.
- 14) Subject to the provisions of the Act, and these articles to invest and deal with the moneys of the Company not immediately required for the purpose there of in or sub-security (not being shares in this Company) or without security and in such manner as it may think fit, and from time to time to vary or realize such investment. Save as provided in the Act all investments shall be made and held in the Company’s own name.
- 15) To execute in the name and on behalf of the Company, in favour of any Director other person who may incur to be about to incur, any personal liabilities for the benefits of the Company such mortgages of the Company’s property (Present and future) as it thinks fit and any such mortgages may contain a power of sale and such other power covenants and provisions as shall be agreed upon.
- 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any director, officer, or other person employed by the Company a commission on the profits of any particular business transaction and to charge such bonus or commission as a part of working expenses the Company.
- 17) To provide for the welfare of employees of ex-employees of the Company and the wives and families or the dependants of connections of such persons by building contributing to the building of houses, dwellings or chawls or by



grants of money, pensions, gratuity, annuities allowances, bonuses or other payments of by carrying and from time to time subscribing or contributing to provident fund and other associations, Institutions, funds of trusts and by providing or sub funds of trusts and by providing or subscribing or contributing towards places of instruction or recreation hospitals and dispensaries, medical and other attendance and other assistance as the board shall think fit.

- 18) To subscribe , incur expenditure or otherwise to assist or to guarantee money charitable ,benevolent, religious, scientific, national political or any other institutions subjects which shall have any moral or other claim to support or laid by the Company ,either by reason of locality of operation or of public and general utility or otherwise.
- 19) Before recommending any dividend, to set aside out of the profits of the Company such sums as it thinks proper for depreciation or to a depreciation fund or to an insurance fund or as reserve fund or sinking fund or any special fund, to meet contingencies to repay debentures or for debentures or for debenture-stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and of such other purposes (including the purposes referred to in the last two proceeding clauses) as the board of directors may in its absolute discretion think conducive to the interest of the Company, and subject to the act to invest the several sums so set aside or so much there of as is required to be invested upon such investments (other than shares of this Company) as it may think fit and from time to time to deal with and vary such investments and dispose of and apply and extend all or any part there of for the benefit of the Company. discretion thinks conducive to the interests of the Company, notwithstanding that the matters to which the board of directors applies or upon which it expends the same or any part there of may be matters to our upon which the capital moneys of the Company might rightly be applied or expended, and to divide the general reserve fund into such special funds as the board of directors may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve funds to another reserve funds with full power to employ the assets constituting all of any of the above funds including the depreciation fund , in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same, with power however to the board of directors at its discretion to pay or allow to the credit of such funds interest at such rates as the board of directors may think proper.
- 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of section 76 and 208 of the Act, and of the provisions contains in these presents.
- 21) From time to time to make, very and repeal bye-laws for regulation of the business of the Company, its officers and servants.
- 22) To redeem redeemable preference shares.

- 23) Subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and resign and vary all such contracts and execute and do all such acts, deeds, and things in the same and on behalf of the Company as it may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- 24) To undertake any branch or kind of business which the Company is expressly or by implementation authorized to undertake at such time or times as it shall think fit, and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the board may deem it expedient not to commence or proceed with such branch or kind of business.

## **MANAGING DIRECTORS**

### **Board may Appoint Managing Director**

- 171 Subject to the provisions of the Act, the board of directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors or whole time director or whole-time Directors of the Company for a term not exceeding five years at a time for which he or they is or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.
- 172 Subject to the provisions of the Act, and these Articles a Managing Director or the whole-time Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the Directors liable to retire by rotation or the number of Directors to retire, but he shall, subject to the terms of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other directors of the Company.

### **Remuneration of Managing Director**

- 173 The Remuneration of a Managing Director shall from time to time be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in the Act.

### **Directors may Confer Power on Managing Director**

- 174 Subject to the provisions of the Act and to the restrictions contained in these articles the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient and it may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Board in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **Compensation for Loss of Office**

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

### **Managing Director not be Exercise Certain Powers**

- 176 The Managing Director or Managing Directors shall not exercise the powers to:
- (a) Make calls on shareholders in respect of money unpaid on the shares of the Company, and
  - (b) Issue debenture and
  - (c) Except as may be delegated by the Board under section 292 of the Act, invest the funds of the Company, or make loans or borrow moneys.

### **Certain Persons not be Appointed Managing Directors**

177. The Company shall not appoint or employ or continue the employment of any person as its Managing Director or whole-time Director who:
- (a) Is an un discharged insolvent or has at any time adjudged insolvent;
  - (b) Suspects or has at any time suspended, payment to his creditors or makes or has at any time made composition with them; or
  - (c) Is or has at any time been convicted by a court of an offence involving moral turpitude.

### **THE MANAGER**

177. (A) When the Company has no Managing Director, and subject to the provisions of the Act, the Board of Directors may from time to time appoint a Manager within the meaning of Clause (24) of section 2 of the Act, who, subject to the superintendence, control and direction of the Board of Directors, may be entrusted with the management of the whole or substantially the whole of the affairs of the Company and whose appointment shall be subject to section 269 and 287 of the Act and shall be governed by section 198, 310, 311, 317, 349, 350 and 388 and other applicable provisions, if any, of the act.

### **THE SECRETARY**

178. The Board may from time to time appoint and, at its discretion, remove any individual (hereinafter called “the Secretary”) to perform any function, which by the Act, are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to

keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of the Act.

## **THE SEAL**

### **The Seal its Custody and Use**

179. The Board of Directors shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. 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, signed at least by one Director and countersigned by some other person appointed by the Board for the purpose, provided nevertheless that certificate of shares or debentures may be sealed and signed in the manner and in conformity with the provisions of the Company (issue of Share Certificate) Rules 1960.

### **Foreign Seal**

180. The Company may, subject to the provisions of the Act, have for use in any territory, district or place not situated in the union of India. An official seal which shall be a facsimile of the common seal of the Company with the addition on its face of the name of the territory district or place where it is to be used.

### **Provisions applicable to Foreign Seal**

181. The following provision shall apply on the Company having a foreign seal under the preceding article:
- 1) The Company shall by a document under its common seal, authorize any person appointed for the purpose of in territory, district or place to affix the official seal to any deed or other documents in which the Company is a party in that territory, district or place.
  - 2) The authority of any agent under the proceeding clause shall, as between the Company and any person dealing with the agent, continue during the period if any mentioned in the document conferring the authority, or if no period is therein mentioned, until notice of the revocation or determination of the agents authority has been given to the person dealing with him.
    - a) The Person affixing any such official seal, shall certify on the deed or document to which such a seal is affixed, the date on which and the place at which, such seal is affixed.
    - b) A deed or other document to which an official seal is duly affixed shall bind the Company as if has been with common seal of the Company.

## **MINUTES**

### **Minutes**

182. The Company shall cause minutes of all proceedings of every General Meeting and of all proceedings of every Meeting of its Board of Directors or of every Committee of Board to be kept in the manner required by the Act and the Provisions of the Act will apply accordingly.

## **DIVIDENDS**

### **Division of Profits**

183. The Profit of the Company which it shall from time determine, subject to the provisions of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed preferential dividend on the Capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid up on the equity shares.

### **Amount Paid on Advance of Calls not to be Treated as Paid up Capital**

184. No amount paid or credited as paid on the shares in advance of calls shall be treated as capital paid up on the shares.

### **Appointment of Dividends**

185. All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares during any portions and period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend 81 from a particular date. Such share rank for dividend accordingly.

### **Declaration of Dividends**

186. The Company in general meeting may subject to the provisions of the act declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment.

### **Restriction on Amount of Dividends**

187. No Larger dividends shall be declared than is recommended by the board but the Company in general meeting may declare a small dividend.

### **Dividend out of Profits only**

188. 1 No Dividend shall be payable except out of the profits of the Company arrived at as laid down in the Act.
2. The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

### **What is to be Deemed not Profit Interim Dividends**

189. The board of directors may from time to time pay to the members such interim dividends as in its judgment the position of the Company justifies

### **Debts may be Documented**

190. The board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

### **Dividend and Call together**

191. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the all on each member shall not exceed the dividend payable to him and so that call may be made payable at the same time as the dividend and the dividend may if so arranged between the Company and the member be set off against the call.

### **Dividend how Paid**

192. Any general meeting declaring a dividend or bonus may resolve that such dividend be paid wholly or in part by the distribution of, specific assets, partly or fully paid shares, or debentures or debentures-stock of the Company or in anyone or more of such ways and the board shall give effects to the same and the board may settle any difficulty in doing so in such manner as it may deem expedient.

### **Effect of Transfer**

193. Transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

### **Retention in certain cases**

194. The board may retain the dividends payable upon shares in respect of which any person is under article 77 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.

### **No Member to Receive Interest or Dividend which Indebted to the Company and Company's Right to Reimbursement Thereat**

195. No Member shall be entitled to receive payment of any interest or dividend in respect of his own share or shares whilst any money may be due to or owing from him to the Company in respect of such share or share or otherwise howsoever either alone or jointly with any other person or persons and the board may deduct from the interest or dividend payable to any shareholder all sums of money so due, from him to the Company.

### **Unpaid or Unclaimed Dividend**

196. Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special in that behalf in any scheduled bank called “Unpaid Dividend of **COUNTRY CONDO’S LIMITED** and transfer to the said account, the amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any Money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board.

Dividend to be paid within forty two days.

197. The Company shall pay dividend or sent the warrant in respect thereof to the shareholder entitled to the payment of the dividend within forty two days from of the declaration of the dividend unless:
- a) The Dividend could not be paid by reason of the operation of any law, or
  - b) Shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with or
  - c) There is a dispute, regarding the right to receive the dividend, or
  - d) The Dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or
  - e) For any other person, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

### **Capitalization of Reserves**

198. A) Any general meeting may, upon the recommendations of the Board, resolves that any moneys, investment or other assets forming part of the undistributed profit of the Company standing to the credit of the profit and loss Account or the reserve Fund of any capital redemption reserve fund or in the hands of the Company and available for dividend or representing the premium received on the issue of share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall, not be paid in cash but shall

be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards.

- 1) Paying either at par or at such premium as the resolution may provide any un issued shares or debentures of debenture – stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid, or
  - 2) Paying up any amounts for the time being remaining unpaid on any shares debentures or debenture – stock held by such members respectively, or
  - 3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub – clause (2) and that such distribution shall be acceptable by such shareholders in full satisfaction of their interest in the said capitalized sum.
- B) 1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account and
- 2) If the Company shall have redemption any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares.
- May by resolution of the Company be applied only in paying up in full for any shares then remaining un issued to be issued to such members of the Company as the general meeting may resolve up to an amount equal to the nominal amount of the shares so issued.
- C) Any general meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investment representing the same of any other undistributed profits of the Company not subject for income tax be distributed amongst the members on the footing that they receive the same as capital
- D) For the purpose of given effect to any such, resolution the Board may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest such cash share, debentures, debenture-stock, bonds or other obligations in trustees upon such trust, for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.
- E) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act, and these Articles and to the directions of the Company in general meeting, if any, sell the shares which members hold in fractional for the best price reasonably obtained and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may



authorise any person to transfer the share sold to the purchase thereof, comprised in any such transfer and the purchase shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or by invalidity in the proceedings with reference to the sale.

- F) Where required, a proper contract shall be delivered to the Register for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

## **ACCOUNTS**

### **Books of Account to be kept**

199. The Company shall cause to be kept proper books of account with respect to:
- A. All sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place.
  - B. All sales and purchases of goods by the Company and the assets and liabilities of the Company.

### **Books where to be kept and Inspection**

200. (1) The books of account shall be kept at the Registered Office of the Company or at such other place in India as the Board of directors may decide and when the Board of Directors so decide, the Company shall within seven days of the decision, file with the Registrar a notice writing giving the full address of the other place.
- (2) Books of Account shall be opened to inspection by any director during business hours.

### **Inspection by Members**

201. The Board of Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the documents of the Company or any of them shall be open to the inspection of member, and no member (not being a Director) shall have any right of inspecting and account or book or document of the Company except as conferred by statute or authorized by the Board of Directors or by a resolution of the Company in general meeting.

### **Statement of Accounts to be furnished to General Meeting**

202. The Board of Directors shall from time to time in accordance with the act, cause to be prepared and to be placed before the Company in general meeting such balance sheets, Profit and loss accounts and reports as are required by the Act.
203. (1) A copy of every such profit and loss account and balance sheet so audited (including the auditors report and every other document required any the Act to be annexed or attached to the balance sheet) shall at least twenty one days before

the meeting at which the same are to be laid before the members be sent to the members of the Company to holders of debentures issued by the Company ( not being debentures which ex-facie are payable to bearer thereof) to the trustees for the holders of such debentures and to all persons entitled to receive notice of general meetings of the Company.

- (2) If and so long as the Company's shares are listed on a recognized stock exchange and subject to the provisions of section 219 of the Act, it shall be sufficient compliance with clause (1) of this article if the copies of documents referred to in clause (1) are made available for inspection at the Company's registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents.

In the prescribed form or copies of the documents aforesaid, as the Company may deem fit, is or are sent, not less than twenty-one days before the date of the meeting to every members of the Company and to every trustee for the holders of any debentures issued by the Company.

#### **Accounts to be audited:**

204. (1) Once at least in every year the accounts of the Company shall be examined by one or more auditors who shall report to the shareholders as to whether the Balance sheet reflects a true and fair view of the state of affairs of the Company as at that date and the profit and loss account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.
- (2) The appointment, remuneration, rights, powers and duties of the Company's auditors shall be regulated in accordance with the provisions of the Act.
- (3) Every balance sheet and profit and loss account of the Company when audited and adopted by the Company at an annual general meeting shall be conclusive, provided that such balance sheet and profit and loss account and Board's Report may be amended at any time with the consent of the Company accorded by a special resolution.

### **DOCUMENTS AND NOTICE**

#### **Service of Documents on Members by Company**

205. (1) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him to his registered address or if he has no registered address, In India, the address if any, within India supplied by him to the Company for giving of notices to him.
- (2) Where a document or notices is sent by post:
  - (a) Service thereof shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or the notice, provided that where a member has intimated to the Company in advance that the documents or notices should be sent to him under a certificate of posting

or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) Such service shall be deemed to have been effected:

- i. In the case of a notice of a meeting at the expiration of forty eight hours after the letter containing the same is posted and
  - ii. In any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (3) A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register of Members in respect of the share.
  - (4) A document or notice may be served by the Company on the persons entitled to a share in consequences of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased or assigned of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
  - (5) A certificate in writing signed by the manager, secretary or other officer or employee of the Company that the notice was properly addressed, prepaid and posted shall be conclusive evidence thereof.
  - (6) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

#### **Service of Documents on Company**

206. A document may be served on the Company or an officer thereof by sending it to the Company or the officer at the registered office of the Company by post under a certificate of posting or by registered post or by leaving it at its registered office.

#### **Authentication of Documents and Proceedings**

207. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, the Manager, the Secretary, or other authorized office of the Company and need not be under the Common Seal of the Company.

## **INDEMNITY**

### **Company may Indemnity**

208. Subject to the provisions of the act, every Director, Manager and other office or any person (whether officer of the Company or not) employed by the Company, or as an auditor, or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to payout of the funds of the Company all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such director, Manager, Officer or Servant in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted by the Court.

### **Liability of Officers**

209. Subject to the provisions of Section 201 of the Act no director, Manager or other officer of the Company shall be liable for the acts, receipts, neglects of any other director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board 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 or insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by error of judgment, omission, default or oversight, on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

## **WINDING UP**

### **Distribution of Assets**

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

### **Secrecy Clause**

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

### **Secrecy Undertaking**

212. Every Director, Manager, Auditor, Treasurer, Trustee, Member of Committee, agent, officer, servant, accountant or other person employed in the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do the board or by any meeting of the shareholders if any or by a Court of Law, or by the person to whom the matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

### **Member's Knowledge Implied**

213. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all contents of these presents.

Sl. No.	Signature, Name, Address, description and occupation with their Signature	Signature of the Witness to the subscriber with address Description and Occupation.
1.	Sd/- P. SAMBA SIVA RAJU S/o. P. S. N. Raju, LIG – 18, near I.T.I. College, Opp. Zoo Park, Hyderabad  OCCUPATION: BUSINESS	<p style="text-align: center;">Sd/- Sri P.MURALI MOHANA RAO S/O. P. Vishwanadham MOGILI SRIDHAR &amp; CO., CHARATERED ACCOUNTANTS, G – 1, TULIPS, 6-3-655, SOMAJIGUDA, HYEDERBAD – 500 082</p>
2.	Sd/- D. KRISHNA KUMAR S/o. D. S. Raju, Road No. 14, Amrutha Enclave, Banjara Hills, Hyderabad  OCCUPATION: BUSINESS	
3	Sd/- P. KANAKA DURGA RAJU S/o. P. Devend Raju, 6-3-5961, Venkataramana Colony, Khairtabad, Hyderabad  OCCUPATION: BUSINESS	
4	Sd/- D. ATCHUTA RAMA RAJU S/o. Venkata Rama Raju, Road No. 14, Amrutha Enclave, Banjara Hills, Hyderabad.  OCCUPATION: BUSINESS	

Place: Hyderabad

Date: 21-09-1987