



MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

**SIR SHADI LAL ENTERPRISES LTD.**

A-44, Hosiery Complex, Phase II Extension,  
Gautam Buddha Nagar, Noida , Uttar Pradesh, India, 201305

*Certified to be true copy*

For SIR SHADI LAL ENTERPRISES LIMITED

  
(Company Secretary)

FCS-5826



सत्यमेव जयते

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

Westcott Building, The Mall,, Kanpur, Uttar Pradesh, India, 208001

Corporate Identity Number: L51909UP1933PLC146675

SECTION 13(5) OF THE COMPANIES ACT, 2013

Certificate of Registration of Regional Director order for Change of State

M/s SIR SHADI LAL ENTERPRISES LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Delhi to the Uttar Pradesh and such alteration having been confirmed by an order of Regional Director bearing the date 29/09/2020.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Kanpur this Thirty first day of May Two thousand twenty-one.

DS Registrar of  
Companies Uttar  
Pradesh Kanpur  
01

SUDHIR KAPOOR

Registrar of Companies  
RoC - Kanpur

Mailing Address as per record available in Registrar of Companies office:

SIR SHADI LAL ENTERPRISES LIMITED

UPPER DOAB SUGAR MILL, SHAMLI, Muzaffarnagar, Uttar Pradesh, India,  
247776



Certified to be true copy

For SIR SHADI LAL ENTERPRISES LIMITED

(Company Secretary)

FCS - 5826

No. 1898/II-888 Dt. 13-1-33

## Certificate of Incorporation

No. 33 of 1932-33

I hereby certify that the UPPER DOAB SUGAR MILLS LIMITED, MUZAFFAR NAGAR, U.P. is this day incorporated under the Indian Companies Act, VII of 1913 and that the Company is a Public Company Limited by Shares.

Given under my hand at LUCKNOW this Thirteenth day of January, One thousand nine hundred and thirty Three.

Sd/-

R.C. CHAUDHARY

Dy. Registrar of Joint Stock Companies

Lucknow

Seal

Certified to be true copy

For SIR SHADI LAL ENTERPRISES LIMITED

(Company Secretary)

FCS - 5826

Co. No. 9509

## Fresh Certificate of Incorporation Consequent on Change of Name

In the Office of Registrar of Companies DELHI & HARYANA  
(Under the Companies Act, 1956 (1 of 1956))

### IN THE MATTER OF UPPER DOAB SUGAR MILLS LIMITED

I hereby certify that UPPER DOAB SUGAR MILLS LIMITED, which was originally incorporated on 13th day of January 1933 under the Indian Companies Act, VII of 1913 and under the name UPPER DOAB SUGAR MILLS LIMITED, having duly passed the necessary resolution in terms of Section 21 of Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto in the Ministry of Law, Justice & Company Affairs (Company Law Board) Regional Director, Northern Region, Kanpur Endt. Letter No. 3025-D/4592 dated 6-8-82 the name of the said company is this day changed to SIR SHADI LAL ENTERPRISES LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at NEW DELHI this 25th day of September (one thousand nine hundred & eighty two).

Sd/-

(SOORAJ KAPOOR)

Registrar of Companies

Delhi & Haryana

Seal

Certified to be true copy

For SIR SHADI LAL ENTERPRISES LIMITED

For SIR SHADI LAL ENTERPRISES LIMITED

(Company Secretary)

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**SIR SHADI LAL ENTERPRISES LIMITED**

UTTAR PRADESH

- |  |                          |
|--|--------------------------|
| 1. The name of the Company is "SIR SHADI LAL ENTERPRISES LIMITED".                     | <b>Name</b>              |
| 2. The Registered Office of the Company will be situated in the STATE OF UTTAR PRADESH | <b>Registered office</b> |
| 3. The objects for which the Company is established are as follows:-                   | <b>Object</b>            |
- (a) To erect a factory or Factories in suitable place or places in India or abroad for the manufacture of sugar.
  - (b) To appoint agents or open branches or depots for the sale of sugar or any other thing manufactured or handled by the Company under this memorandum and to constitute committees or boards within or outside India for the purpose of controlling such agencies, branches or depots and to procure this or any other Company to be legalised or registered or incorporated, if necessary, in accordance with the laws of any colony, country or state in which it may or may propose to carry on operations.
  - (c) To add to the above the manufacture of any other article, machinery, or any other business for utilising the by-products, or as the Company may otherwise deem advantageous.
  - (d) To purchase, take on lease or otherwise acquire, any lands, buildings, machinery, or other property and to build, repair and construct any factories, houses or other buildings or works that may be necessary or expedient for the above purposes, or any of them, and from time to time to alter or extend the same.
  - (e) To carry on the business of cultivating, growing, buying or selling or otherwise dealing, in sugar cane, raw sugar (gur), manufactured sugar, and all other materials and things necessary or expedient for the above purposes.
  - (f) To acquire, erect, establish, maintain, improve, manage or work any water works, factories, mills, refineries, cotton and woolen mills, ice plants, flour mills, pulp and paper mills, straw board mills, carbon papers and typewriter

ribbon mills, ware houses, roads, tramways, rope-ways and other ways, boats, motors and other vehicles for use on land, water or air, buildings, huts, machinery and works and conveniences of every description which may be deemed convenient or useful for the Company and for developing and improving any of its property or rights.

- (g) To carry on the business of engineers, consultants and contractors of any description either independently or in collaboration with any other party in India or abroad.
- (h) To acquire concessions, licenses, patents, or any formula which may seem capable or being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company, or to use, develop or grant licenses in respect of, or otherwise turn to account, the property rights or into motion so acquired and to enter into contracts with the Government of India or any person in India, or any district, municipal or local authority, or the Indian State, or any other person or company in connection with any thing which the Company is authorised to do or to acquire under this Memorandum to provide deposits and guarantee funds required in relation to such contracts or tenders.
- (i) To advance, deposit, or lend money, securities and property to or with such persons and on such terms as may seem expedient and to discount, buy sell and deal in bills, notes, warrants, coupons and other negotiable or transferable securities or documents.
- (j) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture stock.
- (k) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account, or otherwise deal with, all or any part of the property and rights of the Company.
- (l) To promote any company or companies for the purpose of acquiring all or any of the properties and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company. And to invest in or upon, subscribe for, purchase or otherwise acquire, stocks, shares, investments or securities of such company or companies, whether or not fully paid up and to make payments thereon as called, or in advance of calls and the same to hold, sell exchange, or otherwise dispose of, deal with, turn to account, give options over and reacquire from time to time as may seem expedient.
- (m) To enter into partnership or any arrangement or sharing profits, union of interest, cooperation, joint venture, reciprocal concessions or otherwise,

with any person or company carrying on or engaged in, or about to carry on or engage in any business or transaction with this company is authorised to carry on or engage in.

- (n) To amalgamate with any other company having objects altogether or in part similar to those of this Company.
- (o) To make, accept, endorse and execute promissory notes, Bill of exchange, hundies and other negotiable instruments.
- (p) To make donations and subscriptions to such extent as may be considered reasonable by the Directors of the Company to any object likely to promote the interest of the Company or to such other objects as may seem to the Directors beneficial to the humanity generally and to grant bonuses, gratuities and compensations to persons employed by the Company and to endow support and subscribe to provident funds or any educational, social or charitable institution or society generally, or calculated to be beneficial to such persons.
- (q) To pay commission to any person, firm or company in consideration of his or their subscribing or agreeing to subscribe or procuring subscription for share of this company either in cash or in shares or debentures, or partly in one way and partly in other or others.
- (r) To do and perform all such other acts and things as may be necessary for the attainment of the above objects or any of them.
- (s) To buy, sell, import, export, prepare for market and deal in merchandise and commodities of all kinds and generally to carry on business as carriers, merchants, commission agents, importers and exporters.
- (t) To form, constitute, and promote companies, syndicates, associations and undertakings of all kinds.
- (u) To carry on the business of growing, purchase, sale, manufacture and otherwise deal in all kinds of food and agricultural products and its waste.
- (v) To invest in other than investment in the company's own shares and deal with the moneys of the company not immediately required in any scheduled bank or in trust securities or deposit on interest with any body corporate, individuals, firms or in such other manner as is beneficial to the company.
- (w) Subject to the provisions of sections 391 to 394 of the Companies Act, 1956, to amalgamate with or dispose of or exchange any of them businesses or undertakings, properties or rights of the company in consideration of shares, debentures, or other securities and to enter into any agreement or arrangement with other companies or firms or individuals

for joint working in business or for sharing of profits in any other company, firm or persons, if such acts are advantageous to this company.

(x) To acquire and take over the whole or part of the business, property, goodwill and liabilities of any person, firm or company carrying on or about to carry on any business which this company is authorised to carry on or can advantageously be or conveniently combined with the business of the company or possessed of any property or rights suitable for the purpose of this company.

(y) To carry on the business of financiers and for that purpose to give and take loans, with or without security, and on such terms and conditions as the company may in its absolute discretion deem fit, to any person or persons to enable them to purchase either by themselves or jointly with other persons or person, provided that the company shall not carry on any banking business within the meaning of the Banking Regulation Act, 1949.

(z) To carry on the business of leasing, hire purchase of any financing business and to acquire, provide on lease, hire purchase or otherwise all types of industrial, office or domestic plant, equipment, machinery, vehicles, buildings, real estate and any or all other types of assets.

4. The liability of the members is limited.

5. The share capital of the company is Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 200,00,000 equity shares of Rs. 10/- each.

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

S. No.	Names, descriptions and address of subscribers	Number of shares taken by each subscriber	Signature of subscriber
1.	Sir Mirza Zaffar Ali Khan Retired Judge High Court, 5, Davis Road, Lahore.	150	
2.	Mr. Hari Raj Swarup M.A. L.L.B., Member Legislative Assembly, Banker and Merchant, Muzaffarnagar	150	
3.	L. Gopal Raj Swarup M.A.B. Sc. Landlord & Banker, Muzaffarnagar.	150	
4.	L. Narendra Lal Rais & Banker, 2, Lyton Road, Lahore.	150	
5.	L. Kailash Chandra B.A.L.L.B. Merchant & Contractor, Abdullapur Distt. Ambala	1	
6.	B. Sumat Prasad B.A., Vakil, Muzaffarnagar.	10	
7.	B. Raghuber Dayal Manager, Muzaffarnagar Bank Ltd., Muzaffarnagar.	2	
8.	Dr. Jia Lal, Eye Specialist, Khatauli, Distt. Muzaffarnagar	1	

Dated this 30th day of October 1932.

Witness to the above signatures.

A.S. BUXI  
Roorkee Road,  
MUZAFFARNAGAR.

Certified to be true copy

For SIR SHADI LAL ENTERPRISES LIMITED

(Company Secretary)

FCS-582E

**ARTICLES OF ASSOCIATION**  
**OF**  
**SIR SHADI LAL ENTERPRISES LIMITED**

1. The regulations contained in the Table marked "A" in the first Schedule of the Companies Act 1956 (hereinafter called the Act), shall not apply to the Company except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the Act. **Table "A" not apply**

The regulations for the management of Company and for the observance of the members thereof and representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alterations of or additions to the regulations by Special Resolution as prescribed or permitted by Section 31 of the Act, be such as are contained in these Articles. **Company to be governed by these articles**

**INTERPRETATION**

2. The marginal notes hereto shall not affect the construction thereof. **Marginal notes not authoritative**
- IN these Articles, unless there be something in the subject or context inconsistent therewith :- **Interpretation clause**
- "The Company" or "This Company" means Sir Shadi Lal Enterprises Limited. **"The Company"**
- "Body Corporate" or "Corporation" include a Company Incorporated out side India but does not include a Corporation sole. **"Body Corporate"**
- "Corporation" shall include a company whether incorporated and formed under the Act or not. **"Corporation"**
- "A Company" shall include a Company as defined in Section 3 of the Act. **"A Company"**
- "The Act" means the Companies Act 1956 and subsequent amendments and other Acts for the time being in force in India containing the provisions of law in relation to Companies. **"The Act"**
- "Board means the board of Directors of the Company. **"Board"**

"The Directors"	"The Directors" means the Directors for the time being of the Company or as the case may be the Directors, assembled at a meeting of the Board or acting by circular resolution under the Articles.
"Debentures"	"Debentures" include Debenture stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.
"Dividend"	"Dividend" includes bonus.
"Member"	"Members" shall mean shareholder and vice-versa.
"Month"	"Month" means calendar month.
"Year"	"Year" mean calendar year.
"Office"	"Office" means the registered office for the time being of the Company.
"Ordinary & Special Resolution"	"Ordinary Resolution" and Special Resolution" shall have the meanings assigned to these terms by Section 189 of the Act.
"These Presents" or "Articles"	"These Present" or "Articles" mean these Articles of Association as framed or as altered from time to time.
"Paid-up"	"Paid-up" include credited as paid up.
"Public Holiday"	"Public Holiday" mean a public holiday within the meaning of the Negotiable Instrument Act 1881 (XXVI of 1881), provided that no day declared by the Central Govt. to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issues of the notice convening such meeting.
"Variation"	"Variation" shall include abrogation; and "vary" shall include abrogate.
"Seal"	"Seal" means the common seal of the Company for the time being.
"Writing"	"In Writing" or "Written" shall include printed lithography and any other mode or modes of representing or reproducing words in visible form or partly one and partly the other.
"Persons"	"Persons" shall include individuals, firms and companies both corporate or incorporate and societies.
"Singular Number"	Words importing the singular number shall also include the plural number and vice versa.
"Gender"	Words importing the masculine gender shall also include the feminine gender and vice versa.

Subject as aforesaid, any words or expression defined in the Act shall, except where the subject or context otherwise requires, bear the same meaning in these Articles.

"Expression in Act to bear the same meaning in Articles"

3. The Company shall, on being so required by a member, send to him within seven days of the requirement, and subject to the payment of a fee of one Rupee, a copy each of the following documents as in force for the time being :

"Expression in Act to bear the same meaning in Articles"

- (a) The Memorandum;
- (b) The Articles;
- (c) The Agreement, if any, entered into or proposed to be entered into by the Company with any person appointed or to be appointed as its Managing Agent, Managing Director, Wholetime Director or as its Secretaries and Treasurers; and
- (d) Every other agreement and every resolution referred to in Section 192 of the Act, if and so far as they have not been embodied in the Memorandum or Articles.

"Expression in Act to bear the same meaning in Articles"

4. The company shall not have power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 100 to 104 or Section 402 of the Act.

"Expression in Act to bear the same meaning in Articles"

5. The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security of otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person or for any shares in the Company.

"Expression in Act to bear the same meaning in Articles"

Provided that nothing in this clause shall be taken to prohibit :

- (a) The provision, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or Being a purchase or subscription by Trustees of or for shares to be held by or for the benefit of employees of the Company including any Director holding a salaried office or employment in the Company; or
- (b) The provision by the Company of loans to persons (other than Directors, Managing Agents, Secretaries and Treasurers or Managers) bonafide in the employment of the Company not exceeding six months salary or wages of such persons with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company to be held by themselves by way of beneficial ownership.

Provided also that nothing in this clause shall affect the right of the Company to redeem any shares issued, under Section 80 of the Act.

Handwritten notes and signatures at the bottom left of page 7.

## CAPITAL

- Capital and shares**
6. "The capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 200,00,000 Equity Shares of Rs. 10/- each"
- 6-A. "In the event it is permitted by law to issue Equity shares with non voting rights attached to them, the Board may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as the Board may think fit and as may be permitted by law, guidelines or listing or other requirements."
- Prohibition of issue of shares with disproportionate rights**
7. The Company shall not hereafter issue any shares (not being preference shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares (not being Preference shares).
- Trust not recognised**
8. The Company shall not recognise any trust.
- Shares**
9. Subject to the restrictions imposed by law, the Directors shall, on any offer of shares, debentures or debenture stock to the public or otherwise to any other person, be at liberty to pay commission to any person in consideration of his subscribing, agreeing to subscribe, procuring, or agreeing to procure, subscription, whether absolute or conditional for any of the shares, debentures or debenture stock so offered but so that the rate of such commission shall not exceed 5 percent of the nominal value of the shares and 2.5 percent of debentures in respect of which such commission is paid. The Company may, for the purpose of placing any of its shares under this clause, pay a commission or brokerage to any person it thinks fit (including any vendor, promoter, director or other officer of the company) and no Director or such other person as mentioned herein shall be under any liability to account to the company, its members or creditors for the profit made thereby. The commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.
- Share under the control of the Directors**
10. Subject to the restrictions imposed by the Act and except as otherwise provided in these presents, shares shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons and on such terms and conditions or with such special rights attached to the same as they shall think fit. Provided that option or right to call of shares should not be given to any person except with the sanction of the Company in General Meeting.
11. (1) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account to be called "The 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 share capital of the Company.
- (2) The share premium account may, notwithstanding the provisions in sub-clause (1) be applied by the Company :-
- (a) in paying up 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.
12. Without prejudice to any special rights previously conferred on the holders of the existing shares in the Company, further shares may be issued with such preferred, deferred or other rights or such restrictions whether in regard to dividend, or otherwise, as the Company may from time to time by special resolution determine.
- Article no. 12A inserted vide special Resolution no. 7 of A.G.M. held on 30-9-1997.
- 12.A The Company shall have power, subject to and in accordance with the applicable provisions of the Act (including any modification or re-enactment thereof from time to time, to purchase/acquire any of its own shares whether or not they are redeemable and to make payment therefor.
13. 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 purpose of these articles be a member. The Directors shall comply with provisions of Section 69, 70, 71, 72 and 73 of the Act so far as applicable.
14. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be carried with the consent in writing of the holders of three fourth of the issued shares of that class, or with the sanction of a resolution passed at separate Meeting of the holders of the shares of the class and supported by the votes of the holders of not less than 3/4th of those shares, subject to the provisions of Section 107 of the Act.
15. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common seal of the
- Issues of Shares**
- Acceptance of Shares**
- Modification of rights of classes of shareholders**
- Share Certificates**

Company and signed by two Directors. The certificate shall specify the share or shares with their distinctive numbers held by him and the amount paid up thereon, provided 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 for a share or shares to one of several joint holders shall be sufficient delivery to all. The member may demand more than one certificate upon paying such fee as the Directors may from time to time determine.

15A "The board may not entertain any application for consideration or subdivision of share certificates or debentures of less than 50 shares/10 debentures (all relating to the same series) or in marketable lots as the case may be. Provided however, that this restriction shall not apply to an application made by the existing members or debenture holder for sub-division / consolidation of share certificate(s) / debenture(s) with a view to have certificates issued for a marketable lot or to make up a marketable lot subject to verification by the Company".

- |  |   |
|--|---|
| <b>Time of issue</b>                   | 16. Certificates of shares will be prepared and kept ready for delivery to the members within 3 months after the allotment of shares, unless the conditions of the issue of shares otherwise provide.   |
| <b>Renewal of certificate</b>          | 17. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any not exceeding five rupees and on such terms, if any, as to evidence and indemnity as the Directors think fit. 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 the pages on the reverse for recording transfers have been fully utilised.  |
| <b>Lien in shares</b>                  | 18. The Company shall have a first and paramount lien upon all the shares, other than fully paid-up shares, registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends, from time to time declared in respect of such shares. Unless otherwise agreed, the registration of transfer shares shall operate as a waiver of the Company's lien, if any, on such shares.          |
| <b>Power of sale</b>                   | 19. The Directors may sell, in such manner as they think fit, any shares on which the company has a lien, but no sale shall be made unless any sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled by reason of his death lunacy, insolvency or bankruptcy. |
| <b>Application of proceeds of sale</b> | 20. The net proceeds of any such sale, after payment of the costs of such sale, shall be applied in or towards satisfaction of such moneys and the residue (if  |

any) paid to the member, his heirs, executors, administrators or assigns. The purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase money, not shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

## CALLS

- |  |   |
|--|---|
| 21. The directors may, from time to time and subject to the provisions of Section 91 of the Act, make calls (by giving 15 days notice specifying the time and place of payment) upon the members in respect of the moneys unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times and each member shall pay to the Company at the time or times so specified the amount called on his shares.  | Calls   |
| 22. A call shall be deemed to have been made at the time when the resolution of the Directors authorising it is passed.  | Call when deemed made   |
| 23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.  | Calls on joint Shareholders   |
| 24. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of 9 percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of the interest wholly or in part.   | Interest on unpaid calls  |
| 25. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.  | Interest on Installments  |
| 26. Subject to the provisions of Section 91 of the Act, the Company may make arrangements on the issue of shares, for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls. The Company may accept from any member the whole or a part of the amount remaining unpaid on any shares held by him although no part of that amount has been called up and in such case dividend shall be paid in proportion to the amount paid up on each share. | Shares may be issued subject to different conditions as to calls etc. |
| 27. The Directors may, if they think fit, receive from any member, willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such  | Payment of calls in advance   |

rate (not exceeding without the sanction of the Company in General Meeting nine percent) as may be agreed upon between the members paying the sum in advance and the directors. The Directors may at any time repay the amount so advanced by giving one month's notice in writing. Provided that any amount paid up in advance of calls on any share shall not in respect thereof confer a right to dividend or to participate in profits.

If calls in arrear

28. No member shall be entitled to exercise any privilege of membership until he shall have paid all sums then due and payable on the shares held by him.

## TRANSFER OR TRANSMISSION

Form of Transfer

29. Subject to the provisions herein after contained, shares in the Company shall be transferable by written instrument in the usual common form signed both by transferor and transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Directors' general power to decline to register, transfers.

30. Subject to the provisions of Section 111 of the Act, and the Rules of the stock Exchanges where the shares of the Company are listed, the Board may in its own absolute and uncontrolled discretion and without assigning any reason for such refusal, decline to register or acknowledge any transfer of shares (not withstanding that the proposed transferee is already a member). If the Board refuses to register the transfer of any share, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.

30A "The Company shall not accept application for transfer of shares of less than marketable lot of 50 shares or such number of shares as may be fixed by the Stock Exchange(s) on which the shares of the Company are listed, provided however, that the said prohibition shall not apply to :

- i) The transfer of equity shares made in pursuance of statutory provision or an order of court of law,
- ii) The transfer of the entire equity shares by the existing equity shareholder of the Company by a single transfer to single or joint names and,
- iii) The transfer of more shares than the minimum prescribed in the aggregate in favour of same transferee under two or more transfer deeds, out of which one or more relates to the transfer of less than the minimum prescribed".

Effect of refusal

31. In the event of any refusal to register the transfer of any shares, or transmission of right the Company shall within two months from the date on which the

instrument of transfer or the intimation of such transmission as the case may be, is lodged with the Company, send to the transferor, transferee or the person who gave intimation of such transmission, notice of the refusal as provided in section 111 of the Act.

32. The executors or administrators of deceased sole holder of a share shall be only persons recognised by the Company as having any title to the share. In the case of a share registered in the names of two or more holder, the survivor or survivors, or the executors or administrators of the deceased survivor, shall be the only persons recognised by the Company as having any title to the share. The Company shall not be bound to recognise such executor or administrator unless he shall have obtained probate or letters of administration or other legal representation, as the case may be, from a court in India competent to grant such probate or letters of administration. Provided, nevertheless, that in special cases, and in such cases only, it shall be lawful for the Directors to dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnity or otherwise as to the Directors may seem fit.

Title in case of deceased share holder

Article no. 32A and 32B inserted vide Special Resolution no. 7 of A.G.M. held on 27-9-1999.

- 32A. 1. Every shareholder or debentureholder of the Company, may at anytime, nominate, in the prescribed manner, a person to whom his shares or debentures of the Company shall vest in the event of his death.
2. Where the shares or debentures of the company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholders or debentureholders or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures, or as the case may be all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares or debentures of the Company, in the event of his death, during the minority.

Nomination

32B 1. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either :-

Transmission of securities by nominee

- a) to be registered himself as holder of the share or debenture, as the case may be; or
  - b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debentureholder, could have made.
2. If the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be.
3. A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company :

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

33. Any person becoming entitled to a share in consequence of the death, lunacy, insolvency or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the Directors, have the right, either to be registered as a member in respect of the share or instead of being registered himself, to make such transfer of the share as the deceased lunatic, insolvent or bankrupt persons could have made but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased, lunatic, insolvent or bankrupt person before the death, lunacy, insolvency or bankruptcy.

Registration on death or lunacy or insolvency or bankruptcy of a member

34. A person becoming entitled to a share by reason of the death, lunacy, insolvency or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if they were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Dividend etc. in respect of shares of deceased, lunatic, insolvent or bankrupt member.

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

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

The company not liable for disregard of a notice prohibiting registration of transfer.

36. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debentures of the Company.

Transfer of debentures.

## FORFEITURE OF SHARES

37. If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the Directors may at any time thereafter during such time as any part of such call or installment remains unpaid, cause a notice to be served on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

Notice of forfeiture.

38. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made and shall state that in the event of non payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

Provision of Notice.

39. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.

Shares may be forfeited

40. A forfeited share shall be the property of the Company and may be sold or otherwise dispose of on such terms and in such manner as the Directors think

Sale of forfeited shares

fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

Effect of forfeiture.

41. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay and shall pay to the Company all moneys which, at the date of the forfeiture, were presently payable by him to the Company in respect of the shares, but liability shall cease if and when the Company receives payment in full of the nominal amount of the shares.

Evidence of title to forfeited or expropriated shares.

42. A statutory declaration in writing that the declarant is a Director of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the share, and that declaration, and the receipt of the Company for the consideration, if any, given for the share on the sale or disposition thereof shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Forfeiture for nonpayment of installments.

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

Article no. 43A inserted vide Special Resolution no. 7 of A.G.M. held on 16-9-2004

## DEMATERIALIZATION OF SECURITIES

### 43A (1) Definitions :

(i) For the purpose of this Article :

"Beneficial Owner" means a person or persons whose names are recorded as such with a depository; 'SEBI' means the Securities and Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and

'Security' means such security as may be specified by SEBI from time to time.

### (2) Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996

### (3) Options for Investors

Every person subscribing to securities offered by the Company shall have

the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.

### (4) Securities in depositories to be in the fungible form

All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 163, 153a, 153b, 187b, 187c and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

### (5) Rights of depositories and beneficial owners

(a) Notwithstanding anything to the contrary contained in the Act or these Articles a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

### (6) Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

### (7) Transfer of Securities

Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of the depository.

### (8) Allotment of securities dealt with in a depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

### (9) Distinctive number of Securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

(10) **Register and Index of beneficial owners**

The Register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of members and security for the purposes of these articles.

## ALTERATION OF CAPITAL

- Power to increase capital.** 44. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- Issue of new shares.** 45. Subject to any direction to the contrary that may be given by the Company in General Meeting and Subject to the provisions of Sections 80, 81 and 85 to 90 of the Act, all new shares shall, before issue, be offered to such persons as at the date of the offer are holders of equity shares, in proportion as nearly as the circumstances admit, to the capital paid up on those shares as at that date. The offer shall be made by notice specifying the number of shares offered, and limiting a time not being less than fifteen days, within which the offer, if not accepted, shall be deemed to be declined, and after the expiration of that time, or on receipt of any earlier intimation from the person to whom the offer is made that he declines to accept the shares offered the Directors may likewise dispose of the same in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.
- Powers to consolidate or divide share capital** 46. The company may by ordinary resolution :
- Consolidate and divide all or any of its shares capital into shares of larger amount than its existing shares.
  - Sub-divide its shares or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless, to the provisions of Section 94 of the Act.
  - 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.
- Reduction of capital** 47. Subject to confirmation by the Court, the Company may, by special resolution reduce its share capital in any way; and in particular and without prejudice to the generality of the foregoing may;
- Extinguish or reduce the liability on any of its shares in respect of share capital not paid up.
  - either with or without extinguishing or reducing liability on any of its shares, cancel any paid up share capital which is lost or unrepresented by any available assets; or
  - either with or without extinguishing or reducing liability on any of its shares.

pay off any paid up share capital which is in excess of the wants of the Company;

and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

## GENERAL MEETING

48. The Company shall, in addition to any other meetings, hold a General Meeting which shall be styled as its Annual General Meeting at the intervals, and in accordance with the provisions of the Act. An annual General Meeting shall be held by the Company within nine months after the expiry of each financial year provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Provided further that the Company may, for any special reason, with the permission of the Registrar, extend the period of 15 months between the date of one Annual General Meeting and that of the next, to 18 months.
- Every Annual General Meeting shall be called for 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, town or village in which the registered office of the Company is situated and the notices calling the meeting shall specify it as the Annual General Meeting.
49. (1) The provisions of section 171 to 186 of the Act, shall notwithstanding anything to the contrary in these presents, apply with respect to general meetings of the Company.
- (2) (a) Section 176 of the Act with such adaptations and modification, if any, as may be prescribed, shall apply with respect to meetings of any class of members or of debenture-holders of the Company in like manner as it applies with respect to General Meeting of the Company.
- (b) Unless a contract binding on the persons concerned otherwise provides, Sections 171 to 175 and Sections 177 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed, shall apply with respect to meetings of any class of members of debentureholders of the company in like manner as they apply with respect to General Meeting of the Company.
50. The Directors may call an Extra-ordinary General Meeting whenever they think fit.
51. (1) The Directors shall, on requisition of members as specified in Section 169 forthwith call an Extra-ordinary General Meeting of the Company.
- (2) If the Board does not, within twentyone days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting

Annual general meeting

Section 171 to 186 of the Act shall apply to meetings

Calling of extra ordinary General Meeting

for the consideration of those matters on a day not later than fortyfive days from the date of the deposit of the requisition, the meeting may be called;

(a) by the requisitionists themselves.

(b) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of such of the paid up shares capital of the Company as at the date of the requisition carries the right of voting in regard to that matter, whichever is less.

For the purposes of this sub-clause, the Board shall in the case of a meeting at which a resolution is to be proposed as a special resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section(2) of Section 189. Provided that such meeting shall not be held after the expiration of three months from the date of the deposit of the requisition.

(3) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call meeting shall be repaid to the requisitionists by the Company ; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

52. If for any reason it is impracticable to call a meeting of the Company, other than an Annual General Meeting in any manner in which the Meetings of the Company, may be called, or to hold or conduct the meeting of the Company in the manner prescribed by the Act or the Articles, the court may either of its own motion or on the application of any Director of the Company or of any member of the Company who would be entitled to vote at the meeting, order a meeting to be called as provided in Section 186 of the Act.

Length of notice for calling meetings

53. (1) A general Meeting of the Company may be called by giving not less than twentyone day's notice in writing.

(2) A General Meeting may be called after giving shorter notice than that specified in sub-Clause (1) if consent is accorded thereto;

(i) In the case of an Annual General Meeting by all the members to vote there at and

(ii) In the case of any other meeting, by members of the Company holding not less than 95 percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.

Provided that where any member of the Company is entitled to vote only on some resolution or resolution to be moved at a meeting and not on the others, such member shall be taken into account for the purposes of this sub-clause in respect of the former resolution or resolutions and not in respect of the latter.

54. The Company shall comply with the provisions of Section 190 of the Act relating to resolution requiring special notice.

Resolution requiring special notice

55. (1) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted there at.

Contents and manner of service of notice and persons on whom is to be served

(2) Notice of every meeting of the Company shall be given :

(i) to every member of the Company in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act.

(ii) to the persons entitled to a share in consequence of the death, lunacy, insolvency or bankruptcy of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of the representatives of the deceased or assignees of the insolvent, or by any like description at the address, if any, in India supplied for the purpose by the person, claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death, lunacy insolvency or bankruptcy had not occurred; and

(iii) To the Auditor or auditors, for the time being of the Company, in any manner authorised by section 53 in the case of any member or members of the company.

(3) The accidental commission to give notice to or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

56. (1) For the purposes of this Article;

Explanatory statement to be annexed to notice

(a) in the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to

(i) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors;

(ii) the declaration of a dividend;

(iii) the appointment of Directors in place of those retiring and

(iv) the appointment of and the fixing of the remuneration of the auditors; and

(b) in the case of any other meeting, all business shall be deemed special.

(2) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature and extent of the interest, if any, therein, of every Director, the Managing Agent, if any, the Secretaries and Treasurers, if any; and the Manager, if any.

(3) 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 shall be specified in the statement aforesaid.

Circulation of members resolution

57. The Company shall comply with the provisions of Section 188 of the Act relating to circulation of members' resolutions.

Quorum for meeting

58. (1) Five members personally present shall form the quorum for a meeting of the Company.

(2) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved.

(3) In any other case, the meeting shall stand adjourned to same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine.

(4) If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the members present shall be a quorum.

Resolution passed at adjourned meeting

59. A resolution passed at an adjourned meeting of the Company, or of the holder of any class of shares in the company or of the Board of Directors of the Company shall be deemed for all purposes to be passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Absence of quorum

60. A. No business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.

Business confirmed to election of Chairman whilst chair vacant

B. No business shall be discussed or transacted at any General Meeting except the election of a Chairman whilst the chair is vacant.

C. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If there be no Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose a 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 be willing to take the Chair, the members present shall choose one of them being a member entitled to vote to be the Chairman.

Chairman of General Meeting

D. The Chairman may, with the consent of the meeting, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place. But no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place, unless due notice thereof be given.

Chairman with consent may adjourn the meeting

E. A declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without further proof of the number or proportion of the votes recorded in favour of or against such resolution.

F. If a poll is demanded it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Poll how taken

G. In the case of an equality of votes, whether on a show of hands or on a poll the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Motion how decided in case of equality of votes

61. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Demand for poll not to prevent transaction of other business

62. (1) Where under Article 60 C, the members present have to elect a Chairman, they shall do so, in the first instance, by show of hands.

Chairman of the meeting

(2) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act, the Chairman elected on a show of hands exercising all the powers of the Chairman under the said provisions.

(3) If some other person is elected Chairman as a result of the poll, such other

Proxy and proxy form

person shall be Chairman for the rest of the meeting.

63. (1) Any member of the company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person whether a member or not as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting.

(2) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies, to attend and vote instead of himself and that a proxy need not be a member.

(3) 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 or authority, shall be deposited at the registered office of the Company not less than 36 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

(4) The instrument appointing a proxy shall;

(a) be in writing and

(b) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate be under its seal or be signed by an officer or an attorney duly authorised by it.

(5) An instrument appointing a proxy shall be in the form set out below or as near thereto as circumstances will admit :-

SIR SHADI LAL ENTERPRISES LTD., New Delhi

I ..... a member of the SIR SHADI LAL ENTERPRISES LTD., do hereby appoint ..... of ..... (or failing him/her) ..... of ..... as my proxy to attend and vote for me and on my behalf at the ordinary / Extraordinary General Meeting of the Company to be held on the ..... and at any adjournment thereof. As witness my hand this ..... day of .....19..... signed by the said ..... in the presence of .....

(6) Every member entitled to vote at a meeting of the Company, or on any

resolution to be moved thereat, shall be entitled, during the period beginning twentyfour hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.

64. A body corporate (whether a company within the meaning of the Act or not) may, if it is a member or creditor or debenture holder of the Company, authorise such person as it thinks fit by a resolution of its Board of Directors to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors or debenture holders of the Company.

65. At any General Meeting a resolution put to the vote of meeting shall, unless a poll is demanded under Section 179 of the Act, be decided on a show of hands.

66. The Company shall cause minutes of all proceedings relating to General Meetings and meetings of Board of Directors or committees of the Board to be entered in the books kept for the purpose in accordance with Section 193 of the Act. The Chairman of the Meeting shall exercise an absolute discretion in the regard to the inclusion or non inclusion of any matter in the minutes on the grounds mentioned in sub-section 5 of Section 193 of the Act.

67. Subject to the provisions of the Act and Article 6, upon a show of hands every member entitled to vote and present in person or by proxy or by an agent duly authorised under a power of attorney shall have one vote and his voting right on a poll shall be in proportion to his share of the paid up equity capital of the company.

68. Any one of two or more joint holders may vote at any meeting either personally or by an agent duly authorised under a power of attorney or by proxy in respect of such share as if they 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, that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof. Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person, present by an agent duly authorised under power of attorney or by proxy, although the name of such person (present by an agent or proxy) stands first in the Register in respect of such shares. Several executors of a deceased member in whose (deceased member's) sole name any share stands shall for the purpose of this clause be deemed joint holders.

69. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the

Representation of body corporate

Voting to be by show of hands in first instance

Proceedings of meetings

Votes of members

Vote of joint holders.

Validity of votes given by proxy notwithstanding death of member etc.

transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death revocation or transfer shall have been received at the office before the meeting.

Time for objections for vote

70. (1) No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy of representative not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of any meeting to be the judge of any vote

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

Demand for poll

71. (1) Before or on the declaration of result of the voting on any resolution on a show of hands (i) a poll may be ordered to be taken by the Chairman of the meeting of his own motion; and (ii) shall be ordered to be taken by him on a demand made in that behalf by the persons specified below that is to say;

(a) by at least five members having right to vote on the resolution and present in person or by proxy;

(b) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution.

or

(c) by any member or members present in person or by proxy and holding shares in the company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one tenth of the total sum paid up on all the shares conferring that right.

- (2) The demand for a poll may be withdrawn at any time by the person or persons as the case may be who made the demand.

Time of taking poll

72. (1) A poll demanded on a question of election of Chairman or on adjournment shall be taken forthwith.
- (2) A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made as the Chairman may direct.

73. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has and has exercised any right of lien.

Restriction on exercise of voting rights of members who have not paid calls etc.

74. (1) Where a poll is to be taken, the chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.

Scrutineers at poll

(2) The Chairman shall have power at any time before the result of the poll declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(3) Of the two scrutineers appointed under this article one shall always be member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed.

75. (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.

Manner of taking poll and result thereof

(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.

## MANAGEMENT OF BUSINESS : DIRECTORS

76. Unless otherwise determined by a general meeting, the number of Directors shall not be less than four nor more than fifteen including ex-officio Directors, Debenture Directors, Special Director, Creditor Directors and Nominee Director if any.

Number of Directors

77. (1) Any Trust Deed for securing Debentures or Debenture stock may if so arranged, provide for the appointment from time to time by the Trustees thereof or by the holders of Debentures or Debenture stock, of some person to be a Director of the Company. The Director appointed under this sub-clause shall be called "Debenture Director".

(2) The Directors may co-opt not more than two persons as Special Directors whose appointment by reason of their technical qualifications or otherwise is in their opinion, beneficial in the interest of the Company.

(3) "Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI). The Industrial Credit & Investment Corporation of India Ltd. (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or

The Nominee Director/s appointed shall hold the said office only so long as any moneys owing by the company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or purchase or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company in respect of the Guarantee is outstanding and the Nominee Director/s appointed in exercise of the said power shall not be liable to pay immediately the moneys owing by the Company to the Corporation or so long as the Corporation ceases to hold Debentures in the Company or the satisfaction of the liability of the Company in respect of the Guarantee furnished by the Corporation.

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

The Company shall pay to the Nominee Director/s sitting fees and expenses

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

In the event of the Nominee Director/s being appointed as whole time Director/s, such Nominee Director/s shall exercise such powers and have paid such rights as are usually exercised or available to a whole time Director in the Management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation".

(4) The Debenture Directors, special Directors, Creditor Directors and Nominee Directors may not hold qualification shares and are not liable to retire by Rotation, but are liable to be removed by the person or authority appointing or nominating such director".

78. Subject to the provision of Section 313 of the Act, the Directors may appoint an alternate Director in place of any Director during his absence abroad for a period of not less than 3 months.

79. "The Director will not be required to hold any qualification shares".

80. "The remuneration of a director for his services shall be such sum, as the Board of Directors of the Company may determine from time to time, within the limits laid down under the Companies Act, 1956 and/or Rules made thereunder, from time to time, for each meeting of the Board or of a meeting of the committee thereof, attended by him".

81. Subject to the provision of Section 198 and 309 of the Act the Board of Directors may pay to any member of their body extra remuneration for performing extra services or making any special exertions in going out of his normal place of residence or otherwise for any of the purposes of the Company. Provided, however, that where it is not possible for the Directors to decide any such matter for any reason whatever the question shall be referred to an extra-ordinary General Meeting of the Company whose decision in this respect shall be final and binding on the parties concerned. The remuneration herein mentioned may be either by a fixed sum (monthly or otherwise) or a percentage of the net profits of the Company.

Appointment alternate Director  
Qualification shares of Directors  
Remuneration  
Extra remuneration

Compensation for traveling

82. In addition to the remuneration payable to the Directors in pursuance to the Act or under Article 80 above they shall be paid all travelling allowance, daily allowance and other expenses at such rates as are fixed by the Directors from time to time.

Directors may be Directors of other Companies.

83. Subject to the provisions of Section 275 to 278 of the Act the Directors may be or become directors or members of any other Company and shall not be accountable for any benefits received by them as Directors or members of such Company.

Directors contract company

may with

84. Subject to the provisions of the Act, no Director, Managing Agents or Managing Director of the Company shall be disqualified by his office from contracting with the Company either as vendor, purchaser, Agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Agents or Managing Director shall be in any way interested be avoided nor shall the Directors or Managing Agents or Managing Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director, Managing Agent or Managing Director holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act where that section be applicable.

In accordance with Section 300 of the Act, no Director shall, as a Director, take any part in the Discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote, provided that the above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub section 2 of Section 300 of the Act.

A general notice such as is referred to in sub-section (3) of Section 299 shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made under this Article.

Directors vacating of fice

85. (1) The office of the Director shall be vacated if:

(a) he fails to obtain within the time specified in sub-section(1) of Section 270, or at any time thereafter ceases to hold, the share qualification, required of him under article 79 of these presents;

(b) he is found to be of unsound mind by a court of competent jurisdiction;

(c) he applies to be adjudicated as insolvent;

(d) he is adjudged as insolvent;

(e) he is convicted by a court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six months;

(f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call.

(g) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months. Whichever is longer, without obtaining leave of absence from the Board;

(h) he, or any firm in which he is a partner or any private company of which he is a director; accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act;

(i) he acts in contravention of Section 299 of the Act.

(j) he becomes disqualified by an order of the Court under Section 203 of the Act or

(k) he resigns his office by notice in writing given to the Company;

(l) he is removed in pursuance of Section 284 of the Act.

(2) Notwithstanding any thing in paras (d) (e) and (j) of sub-clause (1), the disqualifications referred to in those causes shall not take effect;

(a) for thirty days from the date of the adjudication, sentence or order

(b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of ; or

(c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of.

## POWER AND DUTIES OF THE DIRECTORS

86. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the company is by the Memorandum of Association or otherwise authorised to exercise and do and are not by these presents or by Statute directed or required to be exercised or done

General powers of control of the Company vest in Directors

by the Company in General Meeting, but subject nevertheless to the provisions of the Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles, from time to time, made by the company in General Meeting, provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

**Specific powers given to Directors**

87. Without prejudice to the generality of the powers conferred by the last preceding Article and the other powers conferred by these presents and so as not in any way to limit or restrict any or all of those powers, it is hereby expressly declared that subject as aforesaid, the Directors shall have the following powers :-
1. To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation and establishment of the Company.
  2. To pay and charge to the Capital account of Company any interest lawfully payable thereon under the provisions of section 208 of the Act.
  3. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.
  4. To acquire by purchase, lease or in exchange or otherwise lands, buildings, hereditaments, machinery, rights, privileges or properties, movable or immovable.
  5. To erect, construct, enlarge, improve, alter, maintain, pull down, rebuild or reconstruct any buildings factories, offices, workshops or other structures necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company.
  6. To let, mortgage, charge, sell or otherwise dispose of, subject to the provisions of Section 293 of the Act any property of the Company, either absolutely or conditionally and in such manner and upon such terms and in all respects as they think fit and to accept payment or satisfaction for the same in cash or other wise, on the security of the properties mortgage or charged.
  7. At their discretion to pay for any property, rights or privileges acquired by or for services rendered to the Company, either wholly or partially in cash or in shares, bonds debentures, debenture-stocks or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company

and its uncalled capital not so charged.

8. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper, all or any part of the buildings, machinery, goods stores, produce and other property of the Company, either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of insurance effected in pursuance of this power.
9. Subject to Section 292 of the Act, to open accounts with any bank or bankers or with any Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit.
10. To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or and of the property of the Company and its unpaid capital for the time being or in such other manner as they may think fit.
11. To attach to any shares to be issued as the consideration or part of the consideration for any contract or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they think fit.
12. To accept from any member on such terms and conditions as shall be agreed upon a surrender of his shares or stock or any part thereof subject to the provisions of the Act.
13. 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 purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such Trustee or trustees.
14. To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers or otherwise concerning the affairs of the Company and also, subject to the provisions of section 293 of the Act, to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company.
15. To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards.
16. To act on behalf of the Company in all matters relating to bankrupts and

insolvents.

17. To make and give receipts, releases and other discharges for money payable to the Company's and for the claims and demands of the Company, subject to the provisions of Section 293 of the Act.
18. To authorise from time to time person or persons who shall be entitled to sign on the Company's behalf bills, notes, receipts acceptances, endorsements, cheques, dividend warrants, releases, contracts and other documents.
19. Subject to the provisions of Section 292 of the Act, to invest and deal with any of the moneys of the Company in such shares, securities or investments (not being shares in the Company) and in such manner as they may think fit, and from time to time vary or realise such investments.
20. To execute in the name and on behalf of the Company in favour of any Director or other person, who may incur or may be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers as may be agreed upon.
21. Subject to such sanction as may be necessary under the Act or the Articles, to give to any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction, either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
22. To provide for the welfare of employees or ex-employees of the Company and the wives, widows and families or the dependents or connections of such person by building or contributing to the building of houses, or dwellings or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other funds, associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, cultural, literary, research, scientific, national or any other institutions or objects which shall, in the opinion of the Directors, have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility otherwise.

23. Before recommending any dividend to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund or Reserve Fund or sinking or any other Special Fund to meet contingencies or to repay redeemable Preference Shares, Debentures or Debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company and for such other purpose as the Directors may, in their absolute discretion, think conducive to the interests of the company and to invest the several sums so set aside or so much thereof as in their opinion require to be invested upon such investment, (subject to the restrictions imposed by Sections 292 and 293 and other provisions of the Act) as the Directors may think fit and from time to time to deal with and vary such investment and dispose of and apply and expand all or any part thereof for the benefit of the Company in such a manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company, notwithstanding that the matters to which the Directors apply or upon which they may expand the same or any part thereof may be matters to or upon which capital moneys of the Company might rightly be applied or expended, and to divide adjust and transfer the Reserve and other funds into such funds as the Directors think fit, to employ the assets constituting all or any of the above, funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption of redeemable Preference Shares, Debentures or Debenture stock and that without being bound to keep the same separate from others or bound to pay interest on the same, with power, however, to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the directors may think proper.
24. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Secretaries, Officers, Clerks, agents and servants from permanent, temporary or special service, as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit. And from time to time to provide for the management and transactions of the affairs of the company in any specified locality in India in such manner as they think fit and the provision contained in sub-clause 25 following shall be without prejudice to the general powers conferred by this sub-clause.
25. To Comply with the requirements of any local law which in their opinion, it shall in the interests of the Company be necessary or expedient to comply with.
26. At any time and from time to time by power of attorney or otherwise to appoint any person or persons to be the attorney or attorneys of the company

for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time think fit.

27. Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers to sub-delegate) the Managing Agents, Managing Director, wholetime Director, any officer or officers or employee for the time being of the Company all or any of the powers authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper.

28. To enter into all such negotiations and contracts and rescind and vary all or any of them and to execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the company.

88. (1) The Board of Directors of the Company shall exercise the following powers on behalf of the company and they shall do so only by means of resolutions passed at meeting of the Board :-

(a) The power, to make calls on share holders in respect of money unpaid on their shares :

(b) to issue debentures or debenture stock whether perpetual or redeemable;

(c) to borrow moneys otherwise than on debentures.

(d) to invest the funds of the company, and

(e) to make loans.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Director, the Managing Agents, Secretaries and Treasures or the Manager, the power specified in clause (c)(d) and (e) to the extent specified in sub-sections (2)(3) and (4) respectively of section 292 of the Act.

(2) Every resolution delegating the power referred to in para (c) of sub-clause (1) shall specify the total amount up to which moneys may be borrowed by the delegate.

(3) Every resolution delegating the power referred to in para (d) of sub-clause (1) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegate.

(4) Every resolution delegating the power referred to in para (e) of sub-clause (1) shall specify the total amount upto which loans may be made by the delegate, purposes for which the loans may be made and the maximum amount of loans which may be made for each purpose in individual cases.

(5) Nothing in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in sub-clause(1).

89. (1) Except with the consent of the Board of Directors of the company a Director or his relative, or a firm in which such a Director or relative is a partner, any other partner in such firm or a private company of which the Director is a member or Director, shall not enter into any contract with the company.

(a) for the sale, purchase or supply of any goods, materials or services; or

(b) for underwriting the subscription of any shares in or debentures of the company.

(2) Nothing contained in sub-para (a) of sub-clause (1) shall effect any contract or contracts for the sale, purchase or supply of any goods, materials or services in which either the company or the director, firm, partner or private company as the case may be regularly trades or does business, provided that the value of such goods and materials and the cost of such services do not exceed five thousand rupees in the aggregate in any calender year comprised in the period of the contract or contracts.

(3) The consent of the Board required by sub-clause (1) shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded.

(a) by a resolution passed at a meeting of the Board and

(b) before the contract is entered into, or within two months of the date on which it was entered into.

(4) Where such consent is not accorded to the contract before it is entered into, anything done in pursuance of the contract shall, if such consent is ultimately not accorded, be voidable at the option of the Board.

90. (1) The Board of Directors shall not except with the consent of the company in General meeting.

Board's sanction to be required for certain contracts in which particular directors are interested.

Powers to be exercised only with consent of General Meeting.

Powers to be exercised only by resolution of the Board

(a) Sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the company, or where the company, owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

(b) remit, or give time for the repayment of any debt, due by a Director,

(c) invest, otherwise than in trust securities, the sale proceeds resulting from the acquisition of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys, where the moneys to be borrowed together with the moneys already borrowed, by the Company (apart from the temporary loans obtained from the company's bankers in the ordinary course or business) will exceed the aggregate of the paid up capital of the company and its free reserves, that is to say reserves not set apart for any specific purpose; or

(e) contribute to charitable and other funds, not directly relating to the business of the Company or the welfare of its employees, and amounts the aggregate of which will, in any financial year, exceed twentyfive thousand rupees, or five percent of its average net profits as determined in accordance with the provisions 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

(2) Nothing contained in para (a) of sub-clause (1) shall affect :-

(a) the title of a person who buys or takes a lease of any such undertaking as is referred to in that clause, in good faith and after exercising due care and caution; or

(b) the selling or leasing of any property of the company in case the ordinary business of the company of, or comprises such selling or leasing.

(3) Any resolution passed by the company permitting any transaction such as is referred to in para (a) of sub-clause (1) may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction.

Provided that this sub-clause shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained on that behalf in the Act.

(4) No debt incurred by the company in excess of the limit imposed by para (d) of sub-clause (1) shall be valid or effectual unless the lender proves that he advanced the loan and in good faith and without knowledge that the limit imposed by that clause had been exceeded.

91. (1) The Board of Directors shall not appoint a sole selling agent for any area, except subject to the conditions that the appointment shall cease to be valid if it is not approved by the company in General meeting with in a period of six months from date on which the appointment is made.

(2) If the company in General Meeting disapproves of the appointment, or does not approve of it within the period of six months aforesaid, it shall cease to be valid with effect from the date of such disapproval or the expiry of the period of six months aforesaid, whichever is earlier.

Appointment of sole selling agents to require approval of company in General Meeting.

92. Save as otherwise provided in Section 295(2) and section 296 of the Act, the company shall not, without obtaining the previous approval of the Central Government in that behalf make any loan to or give any guarantee or provide any security in connection with a loan made by any other person to or to any other person by;

Loans to Directors

(a) Any Director of the company, or any partner or relative of any such Director;

(b) Any firm in which any such Director or relative is a partner;

(c) Any private company of which any such Director or member;

(d) Any body corporate at a General Meeting of which not less than twentyfive percent of the total voting power may be exercised or controlled by any such Director or by two or more such Directors together; or

(e) any body corporate, the Board of Directors, Managing Director, Managing Agents, Secretaries and Treasures or Manager were of is accustomed to act in accordance with the directions or instructions of the Board, or of any Director or Directors of the company.

93. (1) Except with the previous consent of the company accorded by a special resolution, no Director of the company, no partner or relative of such a Director, no firm in which such Director or relative is a partner, no private company of which such a Director is Director or member and no Director, Managing agent, Secretaries and Treasurers or Manager of such a private company shall hold any office or place of profit except that of Managing Director, Managing Agent, Secretaries and Treasurers, Manager, Legal or technical adviser, banker or trustee for the holders of debentures of the company:-

Directors etc. not to hold office or place of profit

(a) Under the Company; or

(b) Under any subsidiary of the company, unless the remuneration received from such subsidiary in respect of such office or place is paid over to the company.

(2) If any office or place of profit under the company or a subsidiary thereof is held in contravention of the provision of sub section (1) of section 314 of the Act, the Director concerned shall be deemed to have vacated his office as Director with effect from the first day of which the contravention occurs; and shall also be liable to refund to the company any remuneration received or the monetary equivalent of any perquisites or advantage enjoyed by him in respect of such office or place of profit.

(3) Any office or place in the company shall be deemed to be an office or place of profit under the company within the meaning of sub-clause (1).

(a) In case the office or place is held by a director, if the Director holding it obtains any thing by way of remuneration over and above the remuneration to which he is entitled as such Director, Whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence, or otherwise.

(b) In case the office or place is held by an individual other than a Directors or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it obtains any thing by way of remuneration whether as salary, fees. Commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.

Duty of Directors etc.  
to make disclosure

94. (1) Every Director (including a person deemed to be a Director under the Act.) Managing Director, Managing Agent, Secretaries and Treasures, Manager, or Secretary of the Company, Who is appointed to the office of Director, Managing Director, Managing Agent, Secretaries and Treasures, manager or Secretary of any other body corporate shall, within twenty days of his appointment, disclose to the company the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303.

(2) Every Director of the company and every person deemed to be a Director, shall give notice to the company of such matters relating to himself as may be necessary for the purpose of enabling the company to comply with the provisions of the Act.

95. Every Director shall comply with the provisions of Sections 299,300,275 to

276,282,302,305 and 308 in so far as the same are applicable to him.

96. Not less than two thirds of the total number of Directors shall (a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and (b) save as expressly provided in the Act, be appointed by the company in General Meeting.

97. At every annual general meeting of the company, one third of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three then the number nearest to one third shall retire from office.

98. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

99. A retiring Director shall be eligible for re-election.

100. At the Annual General Meeting at Which a Director retires in manners aforesaid the company may fill the vacancy by electing a person thereto.

101. If at such meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled up and the meeting has not expressly resolved not to fill the vacancy the meeting shall stand adjourned to the same day in the next week at the same time and place or if such day is a public holiday till the next succeeding working day at the same time and place, and, if at the adjourned meeting also the places of the retiring Directors are not filled up, and that meeting also has not expressly resolved not to fill the vacancy the retiring directors shall be deemed to have been re-elected at adjourned meeting unless :-

- (i) at that meeting or at the previous meeting a resolution for the re-election of such Director has been put to the meeting and lost;
- (ii) the retiring Director has by a notice in writing addressed to the company or its Board of Directors, expressed his unwillingness to be so re-elected.
- (iii) he is not qualified or is disqualified for election.
- (iv) a resolution, whether special or ordinary, is required for his election or re-election by virtue of any provisions of the Act, or
- (v) the proviso to sub-section (2) of Section 263 or sub-section (3) of Section 280 of the Act: is applicable to the case.

(2) Where a Director is to retire of any Annual General Meeting both by virtue of sub-section (2) of Section 256 and sub-section (2) of Section 280 of the

Rotation of Directors

Retirement of Directors

Which Directors to retire

Re-election

Election

Failure to elect

Act, he shall be deemed, for the purposes of Section 256 to retire by virtue of sub-section (2) of section 256 of the Act.

Removal of Directors.

102. The company may by ordinary resolution remove any Director (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 in accordance with the provisions of section 284 of the Act. A Director so removed from office shall not be re-appointed a Director by the Board of Directors.

Right of persons other than retiring Directors to stand for Directorship

103. A person who is not a retiring Director shall subject to the provisions of the Act and of these Articles, 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 the meeting, left at the office of the company a notice in writing under his hand signifying his candidature for the office or Director or the intention of such member to propose him as a candidate for that office, as the case may be.

Consent of candidate for directorship to be filed with the Registrar

104. A person who is not a retiring Director shall not be capable of being appointed Director of the Company unless he has by himself or by his agent authorised in writing, signed and filed with the Registrar, a consent in writing to act as such Director.

Casual Vacancies

105. Subject to the provisions of section 262 of the Act and these presents any casual vacancy occurring in the Board of Directors may be filled by the Director, at a meeting of the Board but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

Additional Director

106. The Director shall have the power, at any time and from time to time, to appoint additional directors who shall retire from office at the next following Annual General Meeting, but this power shall be exercised only so long as the maximum fixed in Article 76 is not exceeded.

## PROCEEDINGS OF DIRECTORS

Proceeding of Directors

107. The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings, as they think fit. A Meeting of the Board shall be held at least once every three months, Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Director by giving a notice in writing to every Director.

Omission or nonreceipt of notice

108. An accidental omission or non-receipt of the notice convening the meeting shall not invalidate the proceedings at any meeting of the board.

109. The directors may elect a chairman of their meeting and determine the period for and terms on which he is to hold office, but, if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

Chairman

110. The quorum for a meeting of the Board of Directors shall be that prescribed by Section 287 of the Act.

Quorum

111. The continuing directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by the preceding Article 110 as the quorum for a meeting of the Board of Directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a General Meeting of the company, and for no other purpose.

Powers of continuing Directors

112. The Directors may delegate any of their powers, or later revoke the same, to a committee consisting of such members of their body, as they think fit. any committee so formed shall be in the exercise of the powers so delegated confirm to any regulations that may be imposed on them by the directors.

Committee

113. The meetings and proceedings of any such committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the directors under the last preceding Article.

Meeting of Committee

114. All acts done by any meeting of the Directors or of a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid or that they or any of them were disqualified, or their appointment has terminated by virtue of any provision contained in the Act or these Articles be as valid as if every such person had been duly appointed and was qualified to be a Director.

Acts of Directors etc. valid inspite of defective appointment

115. Subject to the provision of Section 289 of the Act a Resolution passed without any meeting of Director or committee thereof and evidenced by writing under the hands of the majority of the Directors, or majority of the members of a committee or of a sole member of a committee, shall be as valid and effectual as a resolution duly passed at a meeting of the Directors or such committee, provided that the Resolution has been circulated in draft together with necessary papers, if any, to all members of the board of the committee.

Resolution in writing without meeting valid

116. The Directors shall provide a common seal for the purposes of the company and for the safe custody thereof, and the seal shall never be used except by the authority of the Directors and in the presence of at least one director who shall sign every instrument to which the seal is affixed.

Common seal

## MANAGING DIRECTORS AND MANAGING AGENTS

Power to appoint  
Managing or  
Wholetime director

117. (1) Subject to the provisions of the Act, and so long only as there are no Managing Agents appointed and in office the Directors may appoint one or more of their body to be Managing Director and or wholetime Director of the Company, either for a fixed term or without any limitation as to the period for which they are to hold such office and may from time to time (subject to the provisions of any contract between them and the company) remove or dismiss them from office and appoint others in their place.

(2) Subject to the provision of the Act, a Managing Director shall not while he continues to hold that office, be subject to by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of directors or in fixing the number of directors to retire but subject to the provisions of any contract between him and the company, he shall be governed by the same provisions as to resignation and removal as the other directors of the company, and he shall ipso facto and immediately cease to be a Managing Director or wholetime Director if he ceases to hold the office of Director from any cause.

Remuneration of  
Managing Directors

(3) Subject to the provisions of Sections 198 and 309 of the Act, the remuneration of a Managing Director or wholetime Director shall (subject to the provisions of any contract between him and the company) from time to time be fixed by the Directors, and may be by way of fixed salary or commission at a specified percentage of the net profit of the company.

Powers and duties of  
Managing Directors

(4) Subject to the provisions of the Act, the Directors may from time to time entrust to and confer upon a Managing Director or a whole time Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as they think expedient and may from time to time revoke withdraw, alter or vary all or any of such powers.

## MANAGING AGENTS

Managing Agents

118. (1) Subject to the Provisions of the Act Messrs., Rajendra Lal Debi Prasad and Brothers. Shamli their successors or assigns are the present Managing Agents of the company for the period and upon the terms provision and conditions set out in agreement subsisting between the company and the said Managing Agents.

(2) Subject to the requisite consent of the Central Government and subject to the provisions of the Act, the Company may from time to time appoint Managing Agents on such terms, as it may deem expedient.

119. Subject to the provisions of these articles, the general conduct and Management of the business of the Company shall be in the hands of the Managing Agents of the Company, or Managing Director or wholetime Director as the case may be, who shall have power and authority on behalf of the company subject to the restrictions and compliance with the provisions of the Act and Subject to control and supervision of the Directors and subject to the provision of Schedule VII to the Act in so far as the restrictions or limitations therein are not relaxed by the Directors or the Company in General Meeting or otherwise in accordance with the Act to make all purchases and sales and to enter into all contracts and to do all other things usual, necessary or desirable in the Management of the affairs of the Company or in carrying out its objects and shall have powers to appoint and employ in or for the purposes of the transaction and management of the affairs and business of the company, or otherwise for the purposes thereof, lawyers, solicitors, managers, (subject to the provisions of schedule VII of the Act and Section 384, 385, 387 and 388 and other provisions of the Act) engineers, mucocadums, officers, accountants, brokers, clerks and other employees as they shall think proper with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as they shall think fit and from time to time remove or suspend or re-appoint all or any of them.

General Management  
to be in hands of  
Managing Agents or  
Managing Directors

120. Receipts signed by the Managing Director, wholetime Director or Managing Agents for any moneys goods or property received in the usual course of business of the company or for any moneys, goods or property lent to or payable or belonging to the company shall be a good discharge for the money, funds, or property which in such receipts shall be acknowledged to be received and the person paying any such money shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director, wholetime Director or Managing Agents shall also have the power to sign and accept and endorse cheques on behalf of the company.

Receipts granted by  
Managing Agents or  
Managing Director  
good discharge

121. The Managing Agents and Managing Director or whole time Director shall be entitled to sub-delegate (with the sanction of the Directors, where necessary under the Act) all or any of the powers authorities and discretions for the time being vested in them, or him and in particular from time to time provide by appointed of an attorney or attorneys for the managment and transaction of the affairs of the company in any specified locality in such manner as they may think fit.

Managing Agents and  
Managing Director to  
have power to sub-  
delegate

122. Notwithstanding any thing contained in these Articles, the Managing Agents and Managing Director or whole time director are expressly allowed generally to work for and contract with the company and also to do any extra work for the company beyond the normal duties upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed upon between them and the directors of the company.

Managing Agents or  
managing Director  
may contract for work  
with the Company

## DIVIDENDS AND RESERVE ETC.

123. Where any shares are issued for the purposes of raising money to defray the expenses of the construction of any works or buildings or the provision of any

Payment of Interest  
out of Capital

	<p>plant which cannot be made profitable for a long period, the company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions provided in or under Section 208 of the Act and may charge the sum so paid by way of interest to Capital as part of the cost of construction of the work or building or the provision of the plant.</p>
<b>Dividends</b>	<p>124. The company in General Meeting may declare dividends but no dividends shall exceed the amount recommended by the Director. The Dividend so declared shall be paid within three months from the date of declaration except as provided in Section 207 of the Act.</p>
<b>Interim dividends</b>	<p>125. The Directors may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the company.</p>
<b>Dividends out of profits only</b>	<p>126. No dividend shall be paid otherwise than out of profits of the company.</p>
<b>Dividends payable to registered shares holder</b>	<p>127. No dividend shall be paid by the company in respect of any share except to the registered holder of such share or to his order or to his Banker.</p>
<b>Dividends how calculated</b>	<p>128. Subject to the right of persons if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid in proportion to the amount paid up on the shares. No amount paid on a share in advance of call shall, while carrying interest, be treated for the purpose of this Article as paid on the Share.</p>
<b>Dividend applicable towards debts</b>	<p>129. The Company may retain and apply and money payable to a member by way of dividend towards repayment of any sum or sums of money which may be owing by him to the company on account of calls in arrears, debts, interest, costs, expenses or otherwise.</p>
<b>Dividend how remitted</b>	<p>130. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled or in case of joint holder to that one of them who is first named in the register in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.</p>
<b>Unclaimed Dividends</b>	<p>131. Dividend not claimed till the claim thereto becomes barred by law shall be forfeited to the company and the member entitled to such dividend shall lose all his claims for it But, the Directors may restore the dividend so forfeited.</p>

132. The declaration of the Directors as to the amount of the net profits accrued in any year shall be final and conclusive. Declaration of net profit
133. No dividend will bear interest against the company. Interest on Dividends
134. Any General Meeting Sanctioning declaring a dividend in terms of these Articles may direct payment of such dividend wholly or in part, by the distribution of (a) partly or fully paid up shares; (b) debentures or debenture-stock; (c) any specific assets or property of the company, or any one or more of such ways and the Directors shall give effect to such direction and where any difficulty arises in regard to the distribution they may settle the same as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that such payments shall be made to any members upon the footing of the value so fixed or that fractions of less value than one Rupee may be disregarded in order to adjust the rights of the parties and may vest any such shares, debentures-stock or specific assets in trustees upon such trusts for the persons entitled to the dividends as may seem expedient to the Directors. Where requisite, the Directors shall comply with Section 75 of the Act and the Directors may appoint any person to sign any contract thereby required on behalf of the persons entitled to the Dividend and such appointment shall be effective. Special Provision in reference to dividend

## CAPITALISATION

135. (a) The Company in General Meeting may, upon the recommendation of the Board resolve :-
- (i) That is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
  - (ii) That such be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to provision contained in clause (c) either in cash or towards :
- (i) Paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (ii) Paying up in full, unissued shares or debentures of the company to be allotted and distributed credited as fully paid up, to and amongst such members in the proportions aforesaid ; or

- (iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- (c) A share premium account and a capital redemption reserve may for the purposes of this article only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
- (d) The Board shall give effect to the resolution passed by the company in pursuance of this article.
- (e) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) Make all appropriations and applications of the undivided profit resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures if any; and
- (ii) generally do all acts and things required to give effect thereto.
- (f) The Board shall have full power :
- (i) To make such provision by the issue of all fractional certificates or by payment in cash or otherwise as it thinks fit for the case of shares or debentures becoming distributable in fractions : and also
- (ii) to authorise any person to enter on behalf of the members, entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid up of any further shares or debentures to which they may be entitled upon such capitalization of (as the case may require) for the payment by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and agreement made under such authority shall be effective and binding on all such members.

## ACCOUNTS

136. The Directors shall cause true accounts to be kept of the sums or money received and expended by the company, and the matter in respect of which such receipt and expenditure take place and all sales and purchases of goods by the company and of the assets and liabilities of the company.
137. The books of account shall be kept at the registered office of the company, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

138. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions and regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspection of any account or book or document of the company except as conferred by statute authorised by the Director by a Resolution of the company in General Meeting.
139. (1) The Directors shall lay before the company at the Annual General Meeting held in pursuance of Section 166 of the Act.
- a. A Balance Sheet as at the close of the Financial year.
- b. A profit and Loss account for such period.
- (2) Every Balance Sheet and Profit and Loss account of the company shall give a true and fair view of the state of affairs of the company for the period to which they relate.
- (3) The authentication of the Balance sheet and profit and loss accounts shall be done in the manner required under section 215 of the Act.
- (4) The profit and loss accounts shall be annexed to the Balance Sheet and the Auditors Report Shall be attached thereto.
- (5) There shall be attached to every Balance Sheet laid before the company in General Meeting a Report of the Board of Directors with respect to :
- a. the state of the company affairs;
- b. the amounts, if any, which it proposes to carry to the Reserve Fund, General Reserve or reserve account shown specifically in the Balance Sheet or to Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent Balance Sheet.
- c. The amount, if any which it recommends should be paid by way of dividend and other information required under Section 217 of the Act.
140. A copy of every Balance Sheet (including the Profit and Loss Account the Auditors Report and every other document required by law to be annexed or attached as the case may be to the Balance Sheet) shall be sent to all the members of the company and to such other persons so entitled as provided for in Section 219 of the Act.
141. After the Balance Sheet and Profit and Loss Account have been laid before the Company at the Annual General Meeting, three copies thereof signed as required under the Act shall be filed with the Registrar, together with annual Return prepared in accordance with the requirements of Section 159 of the Act so far the same be applicable to the company.

Inspection of Books

Statement of account and Report to be furnished to General Meeting copy of the Balance Sheet to be served on every member

Balance Sheet and other documents to be sent to the address of every member

Copy of Balance sheet profit and Loss Account and Auditors Report.

## AUDIT

- Audit of accounts** 142. Once at least in every year the accounts of the company shall be examined, and the correctness of the Balance Sheet and Profit & Loss Account ascertained by an auditor or auditors appointed by the Company.
- Appointment of auditor** 143. The auditor or auditors shall be appointed by the company at each Annual General Meeting.
- Who can be auditor** 144. The Auditor may be a member of the company but no Director or other officer of the Company may be so appointed.
145. (1) At any Annual General Meeting, A retiring auditor by whatsoever authority appointed, shall be re-appointed unless:
- he is not qualified for re-appointment;
  - he has given the company notice in writing of his unwillingness to be re-appointed;
  - a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed, or
  - where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring auditor, and by reason of the death, incapacity disqualification of that person or of all those persons, as the case may be, the resolution can not be proceeded with.
- (2) Where at an Annual Meeting no auditors, are appointed or re-appointed, the Central Government may appoint may appoint a person to fill the vacancy.
- (3) The Company shall, within seven days of the Central Government's power under sub-section (3) of Section 224 becoming exercisable, give notice of that fact to that Government.
- (4) a. The Board may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act.

Provided that where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the company in General Meeting.

b. Any Auditor appointed in a casual vacancy shall hold office until the conclusion of the next Annual General Meeting.

(5) The remuneration of the Auditor appointed by the Board or the Central Government, may be fixed by the Board or the Central Government, as the case may be and subject thereto shall be fixed by the Company in General Meeting or in such manner as the company in General Meeting may determine.

For the purposes of this sub-clause, any sums paid by the company in respect of the Auditors' expenses shall be deemed to be included in the expression "remuneration".

146. (1) Special Notice shall be required for a resolution at an Annual General Meeting appointing as Auditor a person other than a retiring Auditor, or providing expressly that a retiring Auditor shall not be re-appointed.
- (2) On receipt of notice of such a resolution, the company shall forthwith send a copy thereof to the retiring Auditor.
- (3) Where notice is given of such a resolution and the retiring Auditor makes with respect thereto representation in writing to the company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representation is received by it too late for it do so:
- in any notice of the resolution given to members of the Company, state the fact of the representation having been made; and
  - send a copy of the representation to every member of the company to whom notice of the meeting is sent, whether before or after the receipt of the representation by the company and if a copy of the representation is not sent as aforesaid (because it was received too late or because of the company's default) the Auditor may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting.

Provision as to resolutions for appointing or removing auditors

Provided that copies of the representation need not be sent out and the representation 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, the court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter, and the court may order the company's costs on such an application to be paid in whole or in part by the Auditor, notwithstanding that he is not a party to the application.

(4) Sub-clauses (2) and (3) shall apply to a resolution to the removal of any Auditor or Auditors under sub-section (7) of section 224, as they apply in relation to a resolution that a retiring Auditor shall not be re-appointed.

147. (1) Every Auditor of the company shall have a right of access, at all times, to the books and account and vouchers of the company, whether kept at the office of the company or elsewhere and shall be entitled to require from the officers of the company such information and explanations as the Auditor may think necessary for the performance of his duties as Auditor.

(2) The Auditor shall make a report to the members of the company on the accounts examined by him and on every Balance Sheet and Profit and Loss account and on every other document required to be annexed thereto by the Act which are laid before the company in General Meeting, during his tenure of office, and the report shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view.

- i. In the case of the Balance Sheet of the State of company's affairs as at the end of its financial year and
- ii. in the case of the Profit and Loss Account, of the profit or loss for its financial years.

(3) The Auditors report shall also state:

- a. Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purposes of his audit:
- b. Whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
- c. Whether the Company's Balance Sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns.

(4) Where any of the matters referred to in sub-para (i) and (ii) of subclause (2) or in sub-para (a), (b) and (c) sub-clause (3) is answered in the negative or with a qualification, the Auditor's report shall state the reason for the answers.

148. (1) When the company has a Branch Office, the accounts of that office shall, unless the company in General Meeting decides otherwise, be audited by the person qualified for appointment as Auditor of the Company under

Section 226 of the Act.

(2) Where the accounts of the Branch Office are not so audited, the Company's Auditors;

- a. shall be entitled to visit the Branch Office, if he deems it necessary to do so for the performance of his duties as Auditor; and
- b. shall have a right of access at all times to the books and accounts and vouchers of the company maintained at the Branch Office.

149. Only the person appointed as Auditor of the Company, or if firm is so appointed in pursuance of the proviso to sub-section (1) of section 226 of the Act only a partner in the firm practicing in India, may sign the Auditor's report, or signor authenticate any other document of the company required by law to be signed or authenticated by the Auditor.

Signature of Auditor's Report etc.

150. The Auditor's report shall be read before the company in General Meeting and shall be open to inspection by any member of the company.

Reading and inspection of Auditor's Report

151. Every account when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. When any such error is discovered within that period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

Accounts when audited and approved to be conclusive except as to errors discovered within three months

152. A document may be served on the company or an officer of the company by sending it to the company or 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.

Service of notice on Company

The term document in this and the following clauses shall include summons, notice, requisition, order or legal process and any document in relation to the winding up of the company.

153. (1) A document may be served by the company on any member either personally or by sending it by post to him to his registered address or if he has no registered address in India to the address, if any within India supplied by him to the company for the giving of notices.

Service of notice on members by the company

(2) Where a documents is sent by post :

- a. service thereof shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the document, provided that where a member has intimated to the company in advance that documents should be sent to him under a certificate of posting or by

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

b. Unless the contrary is proved, such service shall be deemed to have been effected :

(i) in the case of a notice of a meeting, at the expiration of fortyeight 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 advertised in a newspaper circulating in the neighbour-hood of the registered office of the company shall be deemed to be duly served on the day on which the advertisement appears on every member of the company who has no registered address in India and has not supplied to the company an address within India for the given of notices to him.

(4) A document may be served by the company on the joint-holders of a share by serving it on the joint-holder named first in the registered in respect of the share.

(5) A document may be served by the company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.

Persons entitled to notice of General Meeting

154. Subject to the provisions of the Act, notice of every General Meeting shall be given;

i. to every member of the company in the manner authorised by subsections (i) to (4) of section 53 of the Act;

ii. to the persons entitled to a share in consequence of the death or insolvency of a member as provided for in section 172 (2) (ii) of the Act;

iii. to the Auditor or Auditors, for time being of the company in the manner authorised by Section 53 of the act in the case of any member or members or the company.

155. Any notice to be given by the company shall be signed by the Managing Agents or by such officer as the Directors may appoint and the signatures thereto may be written, printed or lithographed.

Notice to Company and signaures thereto

156. Subject to the provisions of Section 201 of the Act, every Director of the company, Managing Director, whole time Director, Managing Agents, Manager, Secretary and other officers or employees of the Company or of the Management agents shall be indemnified by the company against, and it shall be the duty of the Directors out of the funds of the company to pay. All cost, (losses and expenses, including traveling expenses) which such Director Managing Director, Wholetime Director, Managing Agent, Manager, Secretary and other officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Managing Director, Wholetime director, Managing Agent, Manager, Secretary, and other officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such director, Managing Director, wholetime director, Managing Agent, Manager, Secretary, Officer or servant or in any way in the discharge of his duties and the amount, for which such indemnity is provided, shall immediately attach as a lien on the property of the company and have priority between the members over all other claims. In case any Director, Managing Director, Wholetime Director, Managing Agents, Manager Secretary and other officer or employee of the company is involved in any litigation civil or otherwise on account of acts done by him bonafide in the interest of the company, the company shall arrange for adequate defence of such Director, Managing Agent, Officer, or employee.

Directors and officer right to indemnity

157. Subject to the provisions of section 201 of the Act, no Director, Managing Agent, Managing Director, Whole time Director or other officer of the company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for the sake of conformity merely or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the Directors or any officer authorised by them in or upon which any of the moneys of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person company or corporation, to or with whom any moneys, securities, or effects of the company shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty or is otherwise malafide.

Not responsible for acts of others

## WINDING UP

158. Subject to the provisions of the Act, if the company shall be wound up and the assets available for distribution among the members as such shall be insufficient

Distribution of assets

to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in 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 up at the commencement of the winding-up excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up paid up or which ought have been paid up on the shares held by them respectively.

But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution of specie  
of kind

159. Subject to the provisions of the Act.

1. If the company shall be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution, divide amongst the contributories in specie or kind any part of the assets of the company, and may, with the like sanction vest any part of the assets of the company, in trustees upon such trusts for the benefit of the contributories or any or them as the liquidators, with the like sanction, shall think fit.

2. If thought expedient, any such division, may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in Particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part, but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have the right, to dissent and shall have ancillary rights as if such determination were a special resolution passed pursuant to sections 494 or 507 of the Act.

3. In case any shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the special Resolution, by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable act accordingly.

Rights of members in  
case of sale

160. A special resolution sanctioning a sale to any other company duly passed pursuant to Section 494 or 507 of the Act may, in like manner as aforesaid, determine that any shares of other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with there existing rights and any such determination shall be binding upon all members subjects to the rights of dissent, and consequential rights conferred by the said Section.

## EVIDENCE

161. On the trial or hearing of any action or suit to be brought by the Company against any shareholder or his representative, to recover any debt or money, claimed to be due to the company in respect to his share, it shall be sufficient to prove that the name of the defendant is or was when the claim arose, on the register of members of the company, as a holder of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made, was duly convened or constituted, nor any other matter whatever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Certified to be true copy

For SIR SHADI LAL ENTERPRISES LIMITED

(Company Secretary)

FCS-5826

S. No.	Names, descriptions and address of subscribers	Number of shares taken by each subscriber	Signature of subscriber
1.	Sir Mirza Zaffar Ali Khan Retired Judge High Court, 5, Davis Road, Lahore.	150	
2.	Mr. Han Raj Swarup M.A. L.L.B., Member Legislative Assembly, Banker and Merchant, Muzaffarnagar	150	
3.	L. Gopal Raj Swarup M.A.B. Sc. Landlord & Banker, Muzaffarnagar.	150	
4.	L. Narendra Lal Rais & Banker, 2, Lyton Road, Lahore.	150	
5.	L. Kailash Chandra B.A.L.L.B. Merchant & Contractor, Abdullapur Distt. Ambala	1	
6.	B. Sumat Prasad B.A., Vakil, Muzaffarnagar.	10	
7.	B. Raghuber Dayal Manager, Muzaffarnagar Bank Ltd., Muzaffarnagar.	2	
8.	Dr. Jia Lal, Eye Specialist, Khatauli, Distt. Muzaffarnagar	1	

Dated this 30th day of October, 1932.

Witness to the above signatures.

**A.S. BUXI**  
Roorkee Road,  
MUZAFFARNAGAR.

For SIR SHADI LAL ENTERPRISES LIMITED

(Company Secretary)

FC-5-3826

**CERTIFIED TRUE COPY OF THE RESOLUTION NO. 7 PASSED IN THE 69TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY HELD ON 25TH SEPTEMBER, 2003**

"RESOLVED that in accordance with the provision of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provision, if any of the Companies Act, 1956 (including any Statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, if required, the consent of the Company be and is hereby accorded to the reappointment of Shri Rajat Lal, as Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2004 on the terms and conditions including remuneration as are set out in the explanatory statement to this resolution."

"RESOLVED Further that the 'Remuneration Committee' /Board of Directors of the Company be and is hereby authorised to vary the terms and conditions of the said appointment and /or the remuneration and perquisites including the monetary value there of as specified in the explanatory statement, to the extent the 'Remuneration Committee' / Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provision under the Companies Act, 1956 or schedule appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or in rules or regulations promulgated thereunder".

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956,**

**ITEM NO. 6&7**

Ms. Rupa Lal and Shri Rajat Lal were appointed as the Joint Managing Directors of the Company by the shareholders in their meeting held on 27-05-1999 for a period of five years w.e.f. 01.04.199, on the terms & conditions specified in the resolution. The Board of Directors, in their meeting held on 24.03.01 have designated Ms. Rupa Lal and Shri Rajat Lal, Joint Managing Directors of the Company, as the Managing Directors of the company for the remaining period of their tenure of office i.e. upto 31.03.04. The same was approved by share holders in their meeting held on 30.09.2002. Since 24.03.01, Ms. Rupa Lal and Shri Rajat Lal have been discharging the responsibilities of the office of the Managing Director.

The 'Remuneration Committee' of the Board of Directors reviewed that both the Managing Directors are highly qualified and are having more

than 19 years experience of management of the Company. The Company has made significant progress and is being considered as one of the efficient and sound Company in the Sugar Industry in U.P. They have also discharged the responsibilities of office of the Managing Director successfully and effectively. Therefore, the Remuneration Committee of the Board of Directors and the Board have approved to reappoint them as Managing Director of the Company for a period of five years w.e.f. 01.04.2004 on the terms and conditions including remuneration as given below.

**SALARY PER MONTH :**

Ms. Rupa Lal, Managing Director

: Rs. 1,00,000/-

Mr. Rajat Lal, Managing Director

: Rs. 1,00,000/-

**COMMISSION :**

Remuneration by way of commission will also be allowed, subject to the limits of total remuneration as laid down in section 198 and 309 read with Schedule XIII of the Companies Act, 1956, as under :

Equivalent to 4.5% of the net profits of the Company as reduced by the amount paid to them by way of salary and perquisites in each case.

**PERQUISITES :**

The above managerial personal will be entitled to the following perquisites in addition to the above remuneration:-

**PART-A:**

1. Housing : 60% of the Salary in each case,
2. Gas, Electricity and Water : 5% of the Salary in each case,
3. Medical Reimbursement : Expenses incurred for self and family, subject to a ceiling of one month salary per year or 5 months salary in a period of 5 years in each case.
4. Personal Accident Insurance and Mediclaim Insurance : Premium not to exceed Rs. 10,000/- in each case.

**PART-B:**

1. Company's contribution towards Provident Fund / Superannuation Fund

as per Rules of the Company.

2. Gratuity : As per Rules of the Company.
3. Earned/Privilege leave : As per rules of the Company, leave accumulated but not availed of during their tenure may be allowed to be encashed as per rules of the Company.

**PART-C:**

1. Car : Provision of a chauffeur driven car for office use.
2. Telephone : Free telephone facility at residence, personal long distance calls to be paid for by them.
3. Entertainment Expenses : Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.

(Payments in Part-C will not be considered as perquisites for the purpose of ceiling under sections 198, 309 of the Companies Act, 1956).

4. Other Terms applicable to the appointments & Minimum Remuneration :
  - i) They will not be paid any 'sitting fee' for attending the meetings of the Board of Directors or Committee's thereof.
  - ii) The Board/ "Remuneration Committee" may revise the existing terms or allow any other facilities/perquisites from time to time within the overall ceiling.
  - iii) In the event of absence or inadequacy of profits in any financial year, they will be paid the above remuneration excluding commission as minimum remuneration, subject to the overall ceilings laid down in Section II of part II of Schedule XIII.

(In that event contribution to Provident Fund and Superannuation fund to the extent these are exempted under the Income Tax Act, 1961, and gratuity payable at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites).

- iv) They will not become interested or otherwise concerned personally or through their relatives, in any selling agency of the company, without the prior approval of the Company Law Board.

- v) The appointment may be terminated by either party by giving six calendar month's notice in writing or lesser notice as may be agreed to.

In the event of termination of the appointment by the Company, they will be entitled to receive compensation in accordance with the provisions of section 318 of the Companies Act, 1956.

Ms. Rupa Lal, Mrs. Manjula Viswanathan and Sh. Vivek Viswanathan, being related, are interested in resolution no. 6.

Mr. Rajat Lal, Mr. Hemantpat Singhania and Mrs. Sudha Singhania, being related, are interested in resolutions no. 7.

Certified to be true copy

For SIR SHADI LAL ENTERPRISES LIMITED

  
(Company Secretary)

FC-5826