Annexure-A

# MEMORANDUM OF ASSOCIATION

AND

# ARTICLES OF ASSOCIATION

OF

# GUJARAT LEASE FINANCING LIMITED

CERTIFIED TRUE COPY
For, Gujarat Lease Financing Ltd.
Authorised Signatory

सत्यमेव जयते

Co.No. 6345

# CERTIFICATE FOR COMMENCEMENT OF BUSINESS

*Pursuant of Section 149(3) of The Companies Act, 1956*

I hereby certify that **GUJARAT LEASE FINANCING LIMITED** which was incorporated under The Companies Act, 1956, on the **13TH** day of **JULY, 1983** and which has this day filed a duly verified declaration in this prescribed form that the conditions of Section 149(1)(a) to (d)/149(2)(a) to (c) of the said Act, have been complied with, is entitled to commence business.

Given under my hand at **AHMEDABAD** this **28TH** day of **OCTOBER** One Thousand Nine Hundred and **EIGHTY THREE.**

Sd/-

**[K. G. A. KRISHNAN]**

Registrar of Companies

Gujarat

THE REGISTRAR OF COMPANIES GUJARAT

FORM I. R.

# CERTIFICATE OF INCORPORATION

**No.6345 of 1983-84**

I hereby certify that **GUJARAT LEASE FINANCING LIMITED** is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at **AHMEDABAD** this **THIRTEENTH** day of **JULY** One Thousand Nine Hundred and **EIGHTY THREE.**

Sd/-

**[K. G. ANANTHAKRISHNAN]**
Registrar of Companies
Gujarat

THE REGISTRAR OF COMPANIES GUJARAT

# MEMORANDUM OF ASSOCIATION

# OF

# GUJARAT LEASE FINANCING LIMITED

I. The name of the Company is **"GUJARAT LEASE FINANCING LIMITED".**

II. The Registered office of the Company will be situated in the State of Gujarat.

III. The objects for which the Company is established are:

**[A] THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :**

1. To carry on leasing business, hire-purchase business, in any and all of its branches in respect of movable and immovable property, including plant and machinery, land and buildings, appliances, equipments, furniture and fixtures, computers and business machines, electronics, electrical and mechanical instruments, vehicles of all kinds, agricultural machinery, Aeroplanes, Launches, Boats-mechanical or otherwise, sewing machines, musical instruments, household equipments, refrigeration and airconditioning plant, equipments and commercial, industrial and the trading assets as the Company may deem fit.

2. To carry on the business as an holding and investment company and to purchase or otherwise acquire, underwrite, invest in, acquire, hold trade or deal in immovable and movable properties of all kinds in any part of the country and in particular lands, buildings, hereditaments, objects of art and decoration, gems, jewellery, precious stones and metals, mortgages, charges, annuities, shares, stocks, debentures, debenture stocks, bonds, obligations, securities, concessions, options, product policies, book debts and claims and any interests in immovable and movable property and any claims against such property or against any person or company and to vary all or any of the aforesaid investments.

3. To provide, supply, maintain and operate for the benefit of any individual, firm, society, trust, company, body corporate, corporations or Governments and any person facilities, bureaus, privileges, institutions and services including recruitment services, marketing services and to provide executive, supervisory and consultancy services particularly in respect of finance, personnel, administration, accounts, planning, production and research and development.

4. To carry on the business of a finance company and to finance industrial enterprises and to promote companies engaged in industrial, manufacturing and trading business.

**CERTIFIED TRUE COPY**



For, Gujarat Lease Financing Ltd.

Authorised Signatory

## [B] THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS :

5. To advance, deposit or lend money with or without securities, to such persons and on such terms as may be expedient and to discount, buy, sell and deal in bills, notes, warrants, coupons and other negotiables on transferable securities or documents.

6. To carry on and transact every kind of guarantee and counter guarantee business and to guarantee the payment of money secured by or payable under or in respect of bonds, debentures, debentures-stock, or contract, mortgages, charges, obligations and other securities of any company or any authority, supreme, municipal, local or otherwise or any persons whomsoever whether incorporated or not.

7. To act as agents for the investment, loan, payment, transmission and collection of money, and for the purchase, sale, improvement, development and management of property including business concerns and undertakings.

8. To carry on the business of:

   (i) Providing or making available finance in the form of long or medium term loans, equity participations.

   (ii) Sponsoring and underwriting new issues of shares and securities.

   (iii) Guaranteeing loans from other investment sources.

9. To exercise and enforce all rights and powers conferred by or incidental to the ownership of any such shares stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers to vote or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or normal amount thereof and to provide managerial and other executive, supervisory and consultant services for or in relation to any company on such terms as may be thought fit.

10. To undertake and carry on and execute all kinds of financial, commercial operation of the company which may be capable of being conveniently carried on in connection with any of the objects of the Company or calculated directly or indirectly to enhance the value of or facilitate the realisation of or render profitable any of the Company's property or rights.

11. To furnish and provide deposits and guarantee funds required in relation to any tender or application for any contract, concessions, decree, enactment, property or privilege or in relation to carrying out of any contract, concession, decree or enactment.

12. To aid any Company, Government central or state or any municipal or other body corporate or association of individuals with capital, credit means of resources for the prosecution of any works, undertakings, projects or enterprises.

13. To subscribe for conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in, to convert stock, share and securities of all kinds and to enter into partnership or into any arrangement for sharing profits union of interest, reciprocal concessions, co-operation with any person or company and promote and aid in promoting, constituting, forming or organising any company (Syndicate or partnership of any kind) for the purpose of acquiring and undertaking any property and liabilities of this company or advancing directly or indirectly, the objects thereof, or for any other purpose which the Company may think expedient.

14. To buy, sell, provide, contract, annuities for certain period, deferred and other types of annuities and do the business connected therewith whether for cash or in exchange of property or in lieu of any rights.

15. To act as trustee, professional trustee, debenture trustee and to accept the confidence on trust with or without remuneration, compensation or profits.

16. To establish companies and associations for execution of undertaking works, projects or enterprises of any description, whether of a private or public character and to acquire and to dispose of shares and interest in such companies or associations, or in any other company or association, or in the undertaking thereof.

17. To purchase or otherwise acquire, sell, dispose of, concerns and undertakings, mortgages, charges, annuities for certain period or on deferred basis, patents, licences, securities, concessions, options, policies, book debts and claims, any interest in real or personal property and any claims against such property or against any person or company.

18. To amalgamate, enter into partnership or into any arrangements for sharing profits or losses, union of interest, co-operation, joint ventures or reciprocal concessions with any person or company carrying on or engaged in or about to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company and to give or accept by way of considerations, for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture-stock, or securities that may be agreed upon and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received.

19. To guarantee the title so, or quite enjoyment of property either absolutely or subject to any qualifications or conditions and to guarantee persons interested or about to become interested in any property against any loss, actions, proceedings, claims or demands in respect of any insufficiency or imperfection or beneficiary of title, in respect of any encumberances, burden or outstanding rights.

20. To negotiate, enter into agreements and contracts or collaborate with foreign companies, firms and individuals for getting or supplying and procuring technical assistance, know how in the manufacturing, marketing, importing and exporting of any of the products.

21. To communicate with Chamber of Commerce and other mercantile and public bodies throughout the world and to advise on, concert, promote and support measures for

the protection, advancement, growth of commerce and industry and for protection and welfare of persons engaged therein.

22. To guarantee the fidelity of persons filling or about to fill situations of trust or confidence, and the due performance and discharge by such persons of all or any of the duties and obligations imposed on them by contract or otherwise.

23. To guarantee the due performance and discharge by receivers, liquidators, committees, guardians, executors, administrators, trustees, attorneys, brokers and agents, of their respective duties and obligations.

24. To guarantee persons filling or about to fill situations of trust or confidence against liabilities in connection therewith and in particular against liabilities resulting from the misconduct of any particular co-trustees, co-agent, sub-agent or other persons or from the insufficiency, imperfection or deficiency of title of property or from any insufficiency, imperfection or deficiency in any security or from any bankruptcy, insolvency, fraud or tortious act on part of any other persons or from any error of judgement or misfortune.

25. Generally to carry on and transact every kind of guarantee and indemnity business and to undertake obligations of every kind and description and also to undertake and execute trusts of all kinds, which may be conveniently undertaken or executed in carrying on the main objects of the Company.

26. To collect rents and debts and to negotiate loans, to find investments and to issue and pledge shares, stocks, debentures, debenture-stocks or other securities.

27. To take or hold mortgages, liens and charges, to secure the payment of the purchase price or any unpaid balance of the purchase price of any part of the Company's property of whatsoever kind, sold by the company or any money due to the Company from the purchaser and others.

28. To contract with lease holders, borrowers, lenders, annuitants and other for the establishment, accumulation, provisions and payment of sinking funds, renewal funds, redemption funds and any other special funds and that either in consideration of a lumpsum or of annual premium or otherwise and generally on such terms and conditions as may be arranged.

29. To undertake and execute any trust or discretion, the undertaking whereof may seem desirable and the distribution amongst the beneficiaries, pensioners or other persons entitled to thereof, any income, capital, annuity or other sums of moneys or other property whether periodically or otherwise and whether in money or in specie in furtherance of any trust, discretion, or other obligation or permission.

30. To vote upon or in respect of any shares, securities, bonds, notes, other evidence, interest of applications of any Corporation, Trust, Association or concern whether or not affecting the security or the apparent security of the TRUST property or the purchase or sale of lease of the assets of any such Corporation. Trust, Association or concern and to enter in to establish any voting. TRUSTS in respect of any shares, securities or property and to appoint, remove and replace any voting TRUSTEE with specific power to the

TRUSTEES to appoint themselves as voting TRUSTEES or with any depository thereby, and to give proxies or power of attorney with or without power for substituting or for voting or acting on behalf of the Trustees as the owners of any such property.

31. To lend money to, and guarantee the performance of the obligations of and the payment of interest on any stock, shares and securities of any company, firm or person in any case in which such loan or guarantee may be considered likely directly or indirectly to further the objects of this company, and generally to give any guarantee whatsoever which may be deemed likely directly or indirectly to bank benefit the Company or its Members.

32. To pay for any property, or business or services rendered or to be rendered or any purchase in case or by bills of the Company, or by shares, ordinary, preferred or deferred, either fully or partly paid-up or by bonds, mortgages, debentures, debenture-stock or other securities or acknowledgements of the Company or partly by one or more of them or otherwise.

33. To hold, administer, sell, realise, invest, dispose of and deal with the moneys and property, both real and personal, and to carry on, sell, realise, dispose of and deal with any business, comprised and included in any estate of which the Company is executor or administrator or in any trust of which the Company is the Trustee, or of which the Company is administrator, or in any trust of which the Company is trustee, or administrator, receiver, liquidator or agent.

34. To make, deposits, enter into recognised bonds and otherwise give security for the execution of the offices and performance of the duties or executors, administrators and trustees, receivers, liquidators and agents.

35. To take such steps as may be necessary to give the Company the same rights and privileges in any part of the world as are possessed by local companies or partnership of a similar nature.

36. To apply for tender, purchase or otherwise acquire any contracts, sub-contract, licences and concessions for or in relation to the objects or business herein mentioned or any of them, and to undertake, execute, carry out, dispose of or otherwise turn to account the same.

37. To dedicate, present or otherwise dispose of either voluntarily or for value any property of the Company deemed to be of national, public or local interest to any national trust, public body, museum, corporation or authority or any trustees for on behalf of the same or on behalf of the public.

38. To promote, assist or take part and appear or lead evidence before any commission, investigation, inquiry, trial or hearing whether public or private relating to matters connected with any trade, business or industry.

39. To promote co-operation, hold conferences, organise and participate in meetings, maintain bureau, carry on correspondence, arrange discussions, symposiums and debates, prepare statement, reports, and articles relating to any and all matters of interest to trade, industry, business or public generally.

40. To acquire by purchase, lease, assignment or otherwise, lands, tenements, buildings basements, rights and advantages of any kind whatsoever and to resell, mortgage, let on lease or otherwise deal with the same.

41. To sublet all or any of the works, contracts from time to time and upon such terms and conditions as may be though expedient.

42. To form, manage, join or subscribe to any syndicate, pool or cartel.

43. Subject to the provisions of the Companies Act, 1956 to distribute among the members in specie any property of the Company or any proceeds of sale or disposal of any property of the Company in the event of winding up.

44. To enter into any arrangement with any Government or authority supreme, municipal, local or otherwise or any person or company that may seem conducive to the Company's objects or any of them, and to obtain from any such Government authority, person or company any rights, privileges, charts, licences, and concessions which the Company may think fit and desirable to obtain and to carry out, exercise and comply therewith.

45. To apply for, promote and obtain any act, charter, order, regulation, privilege, concessional licence or authorisation of any Government, State or municipality or any authority or any corporation or any public body which may be empowered to grant for enabling the company to carry on its objects into effect or for extending any of the powers of the Company or for affecting any modification of the Company's constitution or for any other purpose which may seem expedient, and to oppose any bills, proceedings, applications which may seem calculated directly or indirectly to prejudice the Company's interest and to appropriate any of the Company's shares, debentures or other securities and assets to defray the necessary cost, charges and expenses thereof.

46. To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets of invention, trademarks, designs, licences, copyrights, concessions and the like conferring an exclusive or non-exclusive or limited right to their use, or any secret or other information as to any of the invention which may seem capable of 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 and to use, exercise, develop or grant licences in respect of or, otherwise, turn to account the property right or information so acquired and to expend the money in experimenting upon, testing or improving any such patents, inventions or rights.

47. To establish, provide, maintain, to conduct or otherwise subsidise, assist research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on the scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, the remuneration of scientific or technical professors or teachers and by providing for the award of scholarships, prizes and grant to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiment, tests and inventions of any kind that may be

considered likely to assist any of the business which the Company is authorised to carry on.

48. To make donations to such persons or institutions either of cash or any other assets as may,be though directly or indirectly conducive to any of Company's objects or otherwise and in particular to remunerate any person or corporation introducing business to this Company and also to subscribe, contribute or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public, cultural, educational or other institutions or objects or for any exhibitions for any public, general or other objects.

49. To establish and support or aid in the establishment and support of associations, institutions, funds, trust, private or public for the benefit of its employees or ex-employees, shareholders, past shareholders, directors, ex-directors of the Company or its predecessors in business and for persons having dealings with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and grant pensions, allowances, gratuities and bonuses either by way of annual payment, or lumpsum and to make payment towards insurance and to form and contribute to provident and other benefit funds for such persons and to provide for the welfare of shareholders, directors and ex-directors and employees and ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grant of moneys, pensions, allowances, bonus or other payments and to provide or subscribe or contribute towards places of instructions and recreations, hospitals, dispensaries, holiday-homes, medical and other attendance and other assistance as the Company shall think fit.

50. To refer or agree to refer any claims, demands, disputes or any other questions by or against the Company or in which the Company is interested or concerned and whether between the Company and the member or members or his or their representatives or between the Company and third parties to arbitration in India or any places outside India, and to observe and perform awards made thereon and to do all acts, deals, matters and things to carry out or enforce the awards.

51. To pay all preliminary expenses of any company promoted by the Company or any company in which the Company is or may contemplate being interested and preliminary expenses may include all or any part of the costs and expenses of owners of any business or property acquired by the Company.

52. To enter into the business selling of all movable or immovable property of all kind.

53. To enter into joint sector arrangements with any person, body or corporate whether in India or abroad.

54. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the company or the issue of its capital including brokerage and commission for obtaining applications for taking, placing or underwriting of shares, debentures, or other securities of the Company.

55. To pay for any rights or property acquired by the Company and to pay or to remunerate any person or company for service rendered or to be rendered in placing or assisting to place or guaranteeing the placing of shares in company's capital or any debentures, debenture-stock or other securities of the company or in or about the formation or promotion of the company or the acquisition of property by the Company for the purpose of the Company whether by cash payment or by the allotment of shares, debentures, or other securities of the Company credited as paid-up in full or in part or otherwise, as the case may be.

56. To open current or fix accounts with any bank, bankers, shroff or merchants and to pay into and draw money from such accounts.

57. To insure the whole or any part of the property of the Company either fully or partially, to protect and indemnify any part or portion thereof either on mutual, principal or otherwise.

58. To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business, concerns and undertakings and generally of any assets, property or rights.

59. To carry on any branch of a business whether in India or outside India, which this Company is authorised to carry out by means or through the agency of any subsidiary company or companies, and to enter into any arrangement with such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on, or finance any such subsidiary company, guaranteeing its liabilities or to make any other arrangement which seem desirable with reference to any business or branch so carried on including the power and provision at any time either temporarily or permanently to close any such branch or business.

60. To take part in the management, supervision and conduct control of the business or operations of any company or undertaking having similar objects and for that purpose to appoint and remunerate the directors, trustees, accountants or other experts, personnel or agents for any of such operations or purposes.

61. To purchase, take on lease or exchange, hire or otherwise acquire, deal in any immovable or movable property, real or personal, of all kinds and of any rights or privileges which the Company may think necessary or convenient for the purpose of its business, and either to retain the property so acquired for the purpose of the Company's business or to turn the same to account as may seem expedient.

62. To accept as consideration for or in lieu of the whole or any part of the Company's property either land or cash or Government security or securities guaranteed by Government or shares in joint stock companies or partly the one and partly the other and such other properties or securities as may be determined by the Company, and to take back or acquire the property so disposed of by repurchasing or taking on lease the same at such price or prices and on such terms and conditions as may be agreed upon by the Company.

63. To let on lease or licence or on hire-purchase or to lend or otherwise dispose of any property belonging to the Company and to finance the purchase of any article or articles, whether made by the Company or not, by way of loans or by the purchase of any such article, or articles and letting thereof on the hire purchase system or otherwise howsoever and to act as financiers generally.

64. To sell, lease mortgage, grant licence, easements, and other rights over and in any other manner deal with or dispose of the undertaking, property, assets, both movable and immovable, rights effects of the Company or any part thereof, and any other property whether real or personal or such consideration as the Company may think fit, and in particular for shares, debentures, debenture-stock, securities of any other company whether or not having objects altogether or in parts similar to those of the Company and to make advances upon the security of land and/or buildings and/or other property movable and/or any interest therein.

65. To vest any movable or immovable property, rights or interest acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.

66. To undertake and execute any contracts for works involving the supply or use of any machinery and to carry out any ancillary or other works comprised in such contracts.

67. To create any depreciation funds, reserve fund, sinking fund, insurance fund, or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company, or for redemption of debentures or redeemable preference shares or any other purpose whatsoever conducive to the interest of the Company.

68. To accept donations, gifts with such conditions, restrictions, obligations, stipulations and liabilities as are not derogative to the provisions of the law.

69. To alienate, transfer, gift, sell, donate, settle or dispose of any property of the Company with or without consideration to any person including any Trust whether Public or Private, discretionary or specific, either by revocable or irrevocable transfer or settlement and upon such terms and conditions as the Company may deem fit.

70. To undertake, conduct, institute, encourage, promote, prosecute, develop, assist, finance and carry out any kinds of scientific, industrial, commercial, economical, statistical and social research relating to trade, commerce or industry in India or outside India, either singly or jointly with any other research association or institution, and to erect, establish, promote, develop, encourage, support, maintain and finance research, laboratories, experiment stations, workshops and to provide any other facilities for such research and to develop, improve, patents, models, designs, secret formula or processes or similar property, rights relating to any articles, things which may seem directly or indirectly calculated to benefit the Company.

71. To adopt such means of making known the products and activities of the Company as may seem expedient and in particular by advertising in press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, by granting prizes, rewards and donations.

72. To undertake, carry out, lay out, promote, sponser, contribute or assist in any activity, project for rural development including any programme for promoting the social and economic welfare of or the upliftment of the people in rural area irrespective whether the Company has any business dealings in such areas or not and to incur any expenditure or use any of the assets and facilities of the Company on any programme or project or activity of rural development and to assist execution and promotion thereof, either directly or in association with any other company or person or organisation or through an independent agency or in any manner as the Company may deem fit in order to implement any of the projects or programmes or activities of rural development, transfer without consideration or at such fair or concessional value and divest the ownership of the property of the Company to or in favour of any public or local body, authority, central or state Government or any public institution or trust or fund.

73. To raise or borrow money from time to time for any of the purposes and objects of the Company by receiving advances of any sum or sums with or without security upon such terms as the Directors may deem expedient and in particular by taking deposits from or open accounts, current with any individual or firms including the agents of the Company, whether with or without giving the security or by mortgaging or selling or receiving advances on the sale of any lands, buildings, machinery, goods or other property of the Company, or by the issue of the debenture or debenture-stock, perpetual or otherwise charged upon all or any of the Company's properties (both present and future) including its uncalled capital or by such other means as Directors may in their absolute discretion deem expedient.

74. Subject to Section 58A of the Companies Act, 1956 and rules thereunder and directions issued by Reserve Bank of India, to borrow, raise or secure the payment of money or to receive money and deposit as time deposit or otherwise at interest for any purpose of the Company and at such time or times and in such manner as may be thought fit and in particular by the creation and issue of the debentures or debenture-stock, bonds, shares credited as fully or partly paid-up, obligations, mortgages, charges and securities of all kinds, either perpetual or otherwise, either redeemable annuities in as and by way of securities for any such money so borrowed, raised or received or of any such debentures, debenture-stock, bonds, obligation, mortgages, charges and securities of all kinds, either so issued to mortgage, pledge or charge the undertaking of whole or any part of the property rights, assets or revenue and profits of the company, present or future, including its uncalled capital or otherwise howsoever by trust, special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers as may seem expedient and to purchase, redeem or pay off any such securities. The Company shall not carry on business of Banking as defined by the Banking Regulation Act, 1949.

75. To do all such acts and things as are incidental or conducive to the attainment of all the objects of the Company or any of them.

**[C] OTHER OBJECTS :**

76. To carry on the business of consultants and advisors to individuals, bodies corporate, societies, undertaking, institutions, associations, government, local authorities, and other relating to the administration, organisation, production, storage and marketing, sales

and management of industry and business and generally to carry on the business of industrial and business consultants.

77. To act as registers, issue house, transfer agent, liaison officers and generally to act as agents or representatives.

78. To receive moneys, securities and valuables of all kinds for deposit or for the safe custody and generally to carry on the business of a safe deposit company.

79. To manufacture, plant, cultivate, prepare, treat, manipulate, exchange, let on hire, dispose of and deal in machinery, implements, rolling, stock, plant hardware ores, metals, iron and tools and to bring, buy, sell, manufacture, plan, cultivate, prepare, repair, convert, hire, alter, treat, manipulate, exchange, let on hire, import, export, dispose of and deal in carbon black, rayon, hessian stone.

80. To carry on the business as financiers, commercial agents, mortgage brokers, financial agents, advisors.

81. To act as agents and brokers for sellers, buyers, exporters, importers, manufacturers, merchants, tradesmen, insurers and others and generally to undertake and carry out agency work and commission business.

82. To carry on business as business consultants, market research consultants, business transfer agents, valuers and estate agents and to act as intermediaries in the introduction of sellers, purchasers, partners and employees.

83. To carry on business as assessors, appraisers, surveyors, actuaries, valuers and brokers in respect of all classes of property both real and personal and to take stock and property inventors.

84. To buy, sell, manufacture, repair, alter, improve, exchange, let out on hire, import, export and deal in all factories, works, plants, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this Company is competent to carry on or required by persons having dealing with the Company or commonly deal in by persons engaged in any such business or which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with, render marketable and deal in all products of residual and by-products and incidental to or obtained in any of the business carried on by the Company.

85. To carry on the business as house, land and estate agents and to arrange or undertake the sale, purchase of, advertising for sale or purchase, assist in selling or purchasing, and find or introduce purchasers or vendors of, and to manage land, buildings and other property, whether belonging to the company or not and trade or business purpose or other private or public purposes and to collect rents and income and to supply clubs, public halls, messengers, lights, waiting rooms, reading rooms, conference rooms, meeting rooms, laboratories, laundry conveniences, electric convenience, garages and other advantages.

86. To carry on the business as importers, exporters, retailers and wholesellers in goods.

87. To carry on the business of undertaking and setting up projects on turnkey basis.

88. To underwrite with a view to promoting investment in industries, issue of shares, debentures, stock, bonds or securities, by any company, body corporate, society or concern engaged in or proposing to be engaged in any industry and to retain as a part of its assets any stock, shares, bonds, stock debentures or securities which may have to take up in fulfilment of its underwriting obligations.

89. To manage or deal with Unit Trust, or Mutual funds, and to hold, dispose of or deal with their shares and securities whether of fixed or variable return.

90. To represent, express, and give effect to the views and opinions of traders and manufacturers on commercial or industrial matters of all kind and generally to undertake liaison work and public relations.

91. To act as managers to public issue of other companies, to act as investment advisers, financial advisers, to individuals or companies or advise on portfolio management to corporations, companies or individuals.

92. To carry on and undertake any business, undertaking, transaction or operation commonly carried on or undertaken by capitalists, promoters, financiers, concessioners or contractors.

93. To carry on the business of warehousemen, removers, packers, hauliers, transport, cartage and haulages, contractors and agents, storekeepers and general provider, carriers, custom agents, forwarding, transport and commission agents, wharfingers, cargo superintendent, jobmaster, mucadams and to receive money, securities, valuables and goods and materials on deposits or for safe custody and to lend or give guarantee on the security thereof.

94. To undertake the custody and warehousing of merchandise, goods and materials and to provide cold storage and other special storage facilities.

95. To enter into the business of investment bankers.

AND IT IS HEREBY DECLARED THAT

(i) the objects incidental or ancillary to the attainment of the main objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the Company herein mentioned.

(ii) the word 'Company' (save when used with reference to this Company) in this Memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and wherever domiciled.

(iii) the objects setforth in each of the several clauses of paragraph III hereof shall have the widest possible construction and shall extend to any part of the world.

(iv) subject to the provisions of the Companies Act, 1956 the objects setforth in any clause of sub-paragraph (C) above shall be in no way limited or restricted by reference to or in reference from the terms of any of the clauses of sub-paragraph (A) or by the name of the Company. None of the clauses in sub-paragraph (C) or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in any of the clauses of sub-paragraph (A).

IV. The liability of the members is limited.

V. The Authorised Share Capital of the Company is Rs.50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- (Rupees Ten only) each with rights, privileges and conditions attaching thereto as may be determined by the Board of Directors of the Company at the time of the issue with power to increase and reduce the capital for the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, guaranteed, qualified, or special rights, privileges and conditions as may be determined by the Board of Directors of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being provided by the Resolution of the Board of Directors of the Company in accordance with Articles of Association of the Company and the Act.

We, the several persons whose names and addresses are subscribed here, 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 our respective names.

| Name & Signature of Subscribers | Address, occupation & Description of Subscribers | No. of Equity Shares taken by each Subscriber | Name, Description & Signature of witnesses |
|---|---|---|---|
| **K S Sugathan** | S/o K C Sankarakuthy<br>Deputy Secretary<br>Industries, Mines & Power Dept.<br>**Gandhinagar**<br>Govt. Service | 1<br>(One) | |
| **Tarunbhai B Shah** | S/o Babulal N Shah<br>6, Venudhar Society<br>Gulbai Tekra<br>**Ahmedabad 380 015**<br>Service | 1<br>(One) | |
| **Harshad C Shah** | S/o Chimanlal K Shah<br>69, Sharda Society<br>**Ahmedabad**<br>Service | 1<br>(One) | I remain witness to all the Signatories<br><br>**Jayendra G Parikh**<br>41, Mahavirnagar Society<br>Vastrapur<br>**Ahmedabad 380 015**<br><br>S/o Govindlal Parikh |
| **Rameshchandra N Shah** | S/o Nathalal N Shah<br>5, Bhuleshwar Park<br>B/h. Navdeep Co-op. Bank<br>Vasna,<br>**Ahmedabad 380 007**<br>Service | 1<br>(One) | |
| **Piyushchandra R Vyas** | S/o Ramchandra M Vyas<br>29/B, Vasuki Society<br>Vasana<br>**Ahmedabad 380 007**<br>Service | 1<br>(One) | |
| **Mayur S Panchal** | S/o Somabhai S Panchal<br>292, Madan Gopal's Haveli<br>**Ahmedabad 380 001**<br>Service | 1<br>(One) | |
| **Padmanabh P Vora** | S/o Pundrikray Vora<br>18, Chaitanya<br>SBI Officer's Society<br>Vastrapur<br>**Ahmedabad 380 015**<br>Service | 1<br>(One) | |
| | | 7<br>(Seven) | |

**Dated the 1st day of July, 1983**

# ARTICLES OF ASSOCIATION

## INDEX

# ARTICLES OF ASSOCIATION

# OF

# GUJARAT LEASE FINANCING LIMITED

1. **Table "A" Not To Apply**

(a) The regulations contained in the Table marked "A" in Schedule I of the Companies Act, 1956 (hereinafter called the Act or the said 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 said Act.

**Company To Be Governed By These Articles**

(b) The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by Section 31 of the Act, be such as are contained in these Articles.

## INTERPRETATION

2. **Marginal Notes Not Authoritative**

The marginal notes used in these Articles shall not affect the construction hereof.

**Interpretation Clause**

(a) In the interpretation of these Articles, the following expressions shall have the following meanings,unless repugnant to the subject or context:

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

"The Company" or "This Company" means **"GUJARAT LEASE FINANCING LIMITED".**

**"The Act"**

"The Act" or "The said Act" means the Companies Act, 1956 (Act I of 1956) and subsequent amendments thereto or any statutory modifications or re-enactments thereto or any statutory modifications or re-enactmenmts thereof for the time being in force.

**"Alter And Alteration"**

"Alter" and "Alteration" shall include the making of additions and ommissions.

**"Annual General Meeting"**
"Annual General Meeting" means a general meeting of the members held in accordance with the provisions of Section 166 of the Act and adjourned holding thereof.

**"Articles"**
"Articles" means the Articles of Association of the Company as originally framed or as altered from time to time.

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

**"Board" or "Board of Directors"**
"Board" or "Board of Directors" mean a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board, or the requisite number of Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles, or the Directors of the Company collectively.

**"Body Corporate" or "Corporation"**
"Body Corporate" or "Corporation" includes a Company incorporated outside India but does not include :

(a) a corporation sole;

(b) a co-operative society registered under any law relating to co-operative societies; and

(c) any other body corporate (not being a Company as defined in the Act) which the Central Government may, by notification in the Official Gazette, specify in this behalf.

**"Capital"**
"Capital" means the Share Capital for the time being raised or authorised to be raised, for the purpose of the Company.

**"Company"**
"Company" means **"GUJARAT LEASE FINANCING LIMITED"**, a Public company incorporated under the Companies Act, 1956.

**"Corporation"**
"Corporation" shall include a Company whether incorporated and formed under the Act or not.

**"Debentures"**
"Debentures" include debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.

**"Directors"**
"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.

**"Dividend"**
"Dividend" includes bonus unless otherwise stated.

**"Document"**
"Document" includes summons, notice, requisition order, other legal process and registers, whether issued, sent or kept in pursuance of this or any other Act or otherwise.

**"Extraordinary General Meeting"**
"Extraordinary General Meeting" means general meeting of the members other than Annual General Meeting duly called and constituted and any adjourned holding thereof.

**"Gender"**
Words importing the masculine gender also include, where the context requires or admits, the feminine gender.

**GIIC**
"GIIC" means Gujarat Industrial Investment Corporation Limited, a limited company incorporated under the Companies Act, 1956 and being an undertaking of the State Government of Gujarat having its Registered Office at Chunibhai Chambers, Ashram Road, Ahmedabad - 380 009, which includes its assigns and successors and nominees.

**"Managing Director"**
"Managing Director" means a Director who by virtue of an Agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management.

**"Meeting" or "General Meeting"**
"Meeting" or "General Meeting" means a meeting of Members.

**"Members"**
"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company.

**"Memorandum"**
"Memorandum" means the Memorandum of Association of the Company as originally framed or as altered from time to time.

**"Month"**
"Month" means a calendar month.

**"Office"**
"Office" means the Registered Office for the time being of the Company.

**"Ordinary Resolutions"**
A Resolution shall be an ordinary resolution when at a general meeting of which the notice required under the Act has been duly given, the votes cast (whether on

a show of hands or on a poll, as the case may be) in favour of the resolution (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by members so entitled and voting.

**"Paid Up"**
"Paid up Capital" or "Capital paid up" includes Capital credited as paid up.

**"Persons"**
"Persons" includes firms and corporations as well as individuals.

**"Plural Number"**
Words importing the plural number also include, where the context requires or admits, the singular number, and vice-versa.

**"Proxy"**
"Proxy" include attorney duly constituted under the power of attorney.

**"Public Holiday"**
"Public Holiday" means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government 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 issue of the notice convening such meeting.

**"Register of Members"**
"Register of Members" means the Register of Members to be kept pursuant to the Act.

**"Registrar"**
"Registrar" means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.

**"Regulations"**
"Regulations or the Company's Regulations" means the regulations for the time being for the management of the Company.

**"Seal"**
"Seal" means the Common Seal of the Company for the time being.

**"Secretary"**
"Secretary" means a Company Secretary within the meaning of Section 2(1) (c) of the Company Secretaries Act, 1980, and includes any individual possessing the prescribed qualifications and appointed as Secretary of the Company to perform the duties which may be performed by the Secretary under the "Act" and any other ministerial or administrative duties.

**"Section"**
"Section" or "Sections" means a Section of the Act for the time being in force.

**"Share"**
"Share" means share in the Share Capital of the Company, and includes stock except where a distinction between stock and share is expressed or implied.

**"Special Resolution"**
A Resolution shall be a Special Resolution when -

(i) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution;

(ii) the notice required under the Act has been duly given of the general meeting; and

(iii) the votes cast in favour of the resolution (whether on a show of hands, or on a poll, as the case may be) by members who, being entitled so to do vote in person, or where proxies are allowed by proxy, are not less than three times the numbers of the votes, if any, cast against the resolution by members so entitled and voting.

**"These Presents"**
"These Presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time by Special Resolution.

**"Torrent Group"**
"Torrent Group" means "Torrent Investments Private Limited and Torrent Leasing & Finance Private Limited", companies incorporated under Companies Act, 1956 with whom GIIC has entered into Shareholders' Agreement.

**"Variation" and "Vary"**
"Variation" shall include abrogation and "Vary" shall incude abrogate.

**"Written" and "In Writing"**
"Written" and "In Writing" include printing, lithography and any other mode or modes of representing or reproducing words in a visible form or partly one and partly the other.

**"Year" and "Financial Year"**
"Year" means a calender year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

**"Expression in the Act to bear hhe same meaning in Articles"**
Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

3. **Copies Of Memorandum and Articles to be Furnished by the Company**
Pursuant to Section 39 of the Act, the Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a prescribed fee, a copy of each of the following documents, as in force for the time being :

(i) the Memorandum;

(ii) the Articles, if any;

(iii) every other agreement and every resolution referred to in Section 192, of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

4. **Company's Funds may not be Applied in Purchase of or Lent for Shares of the Company**

(a) The Company shall not have the 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.

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

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

(i) the provision by the Company, 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 its holding company, 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

(ii) the making by the Company of loans, within the limit laid down in Sub-Section (3) of Section 77 of the Act, to persons (other than Directors or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership.

(c) No loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months.

(d) Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 80 of the Act.

5. **Share Capital and Variation of Rights**

(a) The Authorised Share Capital of the Company is Rs.50,00,00,000/- (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- (Rupees Ten) each with power to increase or reduce the share capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, cumulative convertible preference, guaranteed, qualified, or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company

and to vary, modify, amalgamate or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association.

(b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid-up on such equity shares respectively at the commencement of the winding up.

6. **Increase, Reduction and Alteration of Capital**

The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.

**On what Conditions the New Shares may be Issued**

(a) Subject to the provisions of Section 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given then as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said Sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of said Sections with special or without any right of voting and subject to provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

**Further Issue of Capital**

(b) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of the increased share capital,

(i) such further shares shall be offered to the person who at the date of offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date.

(ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than one month from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice shall contain a statement of this right.

(iv) after the expiry of the time specified in notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

(v) Notwithstanding anything contained in the preceding sub-clause, the Company may:

(i) by a special resolution; or

(ii) where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person or persons, and such person or persons may or may not include the person/s who at the date of the offer, are the holders of the equity shares of the Company.

(vi) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

**Directors may Allot Shares as Fully Paid Up**

(c) Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transfered, goods or, machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so alloted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.

**Same as Original Capital**

(d) Except so far as otherwise provided by the conditions of Issue or by these presents any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, instalments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.

**Unclassified Shares**

(e) Any unclassified shares (whether forming part of the original capital or of any increased capital of the Company) may subject to the provisions of the Act and these presents be issued either with the sanction of the Company in General

Meeting or by the Directors and upon such terms and conditions and with such rights and previleges annexed therto as by the General Meeting sanctioning the issue of such shares be directed and, if no such direction be given and in all other cases, as the Directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of the Company and any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed provided however that (1) no shares shall be issued pursuant to this Article without the sanction of the Company in General Meeting unless they shall subject to the provisions of Section 81 of the Act be offered to the persons who are holders of equity shares of the Company in proportion, as nearly as circumstances admit to the capital paid up on those shares and (2) no unclassified shares shall without the sanction of the Company in General Meeting be issued as preference shares if the aggregate nominal amount of issued preference shares would thereby exceed the aggregate nominal amount of the issued equity shares of the Company.

7. **Power to Issue Redeemable Preference Shares**

(a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are to be liable to be redeemed:

Provided that:

(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption;

(ii) no such shares shall be redeemed unless they are fully paid;

(iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed;

(iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to amount a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.

(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

(c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its authorised share capital.

(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly, the share capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

8. **Provision in Case of Redemption of Preference Shares**

The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in case of redemption of part of the preference shares the following provisions shall take effect:

(a) The shares to be redeemed shall be determined by drawing of lots which the company shall cause to be made at its registered office or at such other place as the Directors may decide, in the presence of one Director at least; and

(b) Forthwith after every such drawing, the Company shall notify to the shareholder whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company or at such other place as the directors may decide at the time and on the date to be named against surrender of the Certificates in respect of the Shares to be redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.

(c) Subject to the provisions of Section 180 of the Act, the following provisions shall apply in regard to the redemption of the Cumulative Preference Shares.

(i) The Company may within such time as may be specified in these Articles by an amendment thereof from the date of issue of the shares, apply any profits or moneys of the Company which may be lawfully applied for the

purpose in the redemption of the preference shares at par, together with a sum equal to arrears of dividend thereon drawn to the date of redemption.

(ii) In the case of any partial redemption under sub-clause (c) (i) of the Article, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a draw to be made at the Registered Office or at such other place as the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company.

(iii) Forthwith after every such draw the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same fixing a time (not less than three months thereafter) and the place for redemption and surrender of the shares to be redeemed.

(iv) At the time and place so fixed each holder shall be bound to surrender to the Company the certificate for his shares to be redeemed payable in respect of such redemption and where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.

(v) Any of the Redeemable Cumulative Preference Shares not previously redeemed under the foregoing provisions shall be redeemed at the expiry of 15 years from the date of the issue of the shares at par together with all arrears of the dividend thereon (whether earned or declared or not upto the date).

(d) Subject to the provisions of the Articles, the Company shall be entitled to create and issue further Preference Shares ranking in all or any respects pari passu with the preference shares then outstanding, PROVIDED in the event of its creating and/or issuing further preference shares ranking pari passu with the Preference Shares then outstanding the Company would do so only with the consent of the holders of not less than three-fourths of the preference shares then outstanding.

(e) The Redeemable Cumulative Preference Shares shall not confer upon the holders thereof the right to vote their in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 87 (2) of the Act.

(f) The rights, privileges and conditions for the time being attached to the Redeemable Cumulative Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.

9. **Cumulative Convertible Preference Shares**

Subject to the provisions of the Act and the guidelines issued by the Central Government from time to time under the provisions of the Act and/or the provisions of the Capital Issues (Control) Act, 1947, the Company may issue Cumulative Convertible Preference Shares (CCP) in such manner as the Board of Directors of the Company may decide and specifically provide for -

(i) the Quantum of issue;

(ii) the terms of the issue with particular reference to the conversion of CCP into the equity shares of the Company;

(iii) the rate of cumulative preferential dividend payable on CCP, the voting rights to be attached to CCP and any other terms and conditions which may be attached to the issue of CCP and as permissible in law.

10. **Reduction of Capital**

The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its share capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law in particular without prejudice to the generality of the foregoing power may by:

(a) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or

(c) 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.

11. **Division, Sub-division, Consolidation, Conversion and Cancellation of Shares**

Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:

(a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

(b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;

(c) convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination;

(d) cancel shares which at the date of such general meeting 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.

12. **Notice to Registrar of Consolidation of Share Capital, Conversion of Shares into Stocks Etc.**

(a) If the Company has :

(i) Consolidated and divided its share capital into shares of larger amount than its existing shares;

(ii) converted any shares into stocks;

(iii) re-converted any stock into shares;

(iv) sub-divided its share or any of them;

(v) redeemed any redeemable preference shares; or

(vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act.

The Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks re-converted.

(b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

13. **Modification of Rights**

If at any time the share capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privilèges attached to any class (unless othrwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to general meeting shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Articles 103 is not present, those persons who are present shall be the quorum.

## SHARES AND CERTIFICATES

14. **Issue of Further Shares not to Affect Right of Existing Shareholders**

The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise expressly provided by the

terms of issue of the shares of that class, be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.

15. **Provisions of Sections 85 to 88 of the Act to apply**
The provisions of Sections 85 to 88 of the Act in so far as the same may , be applicable shall be observed by the company

16. **Register of Members and Debentureholders**
(a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debentureholders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debentureholders in accordance with Section 157 of the Act.

(b) The Company shall also comply with the provisions of Sections 159 and 161 of the Act as to filing of Annual Returns.

(c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, indexes, copies of Annual Returns and giving inspections thereof and furnishing copies thereof.

17. **Commencement of Business**
The Company shall comply with the provisions of Section 149 of the Act.

18. **Restriction on Allotment**
The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

19. **Shares to be Numbered Progressively and no share to be Sub-divided**
The shares in the capital shall be numbered progressively according to the several denominations and except in the manner herein before mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

20. **Shares at the Disposal of The Directors**
Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors may think fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the company in the conduct of its business, and any shares which may be alloted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

21. **Every Share Transferable etc**

(i) The shares or other interest of any member in the Company shall be movable pro-perty, transferable in the manner provided by these Articles.

(ii) Each share in the Company shall be distinguished by its appropriate number.

(iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be, prima facie, evidence of the title of the member of such shares.

22. **Application of Premium Received on Issue of Shares**

(a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of value of the premium 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 Article, apply as if the share premium account were paid up share capital of the Company.

(b) The share premium account may, notwithstanding, anything in clause (a) above, be applied by the Company:

(i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(ii) in writing off the preliminary expenses of the Company;

(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or

(iv) in providing for the premium payable on the redemption of any redeemable preference shares or any debentures of the Company.

23. **Sale of Fractional Shares**

If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and these Articles if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see the applications of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

24. **Acceptance of Shares**

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any 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 the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.

25. **Deposits and Calls etc. to be a Debt Payable Immediately**
The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares alloted by them, immediately, on the insertion of the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

26. **Company not Bound to Recognise any Interest in Shares other than of Registered Holder**
Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.

27. **Declarations of Person not Holding Interest in Shares**
When any declaration is filed with the Company under the provisions of Section 187 C of the Act by any holder of shares who does not hold beneficial interest in such shares specifying the particulars of the person holding beneficial interest in such shares or by a person who holds beneficial interest in any shares of the Company but is not the registered holder thereof, the Company shall make a note of such declaration in its register of members and file, within 30 days from the date of receipt of the declaration by it, a return with the registrar with regard to such declaration.

28. **Issue of Certificates of Shares to be Governed by Section 84 of the Act etc.**

(a) The issue of certificates of shares or of duplicate or renewal of certificates of shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being.

(b) The Certificate of title of shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.

(c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.

29. **Limitation of Time of Issue of Certificate**

(a) Every member shall be entitled, without payment, to one Certificate for all the shares of each class or denomination registered in his name, or to several certificates, each for one or more of such shares and the Company shall complete

and deliver such Certificates within the time provided by Section 113 of the Act unless the conditions of issue thereof otherwise provide. Every Certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors shall prescribe or approve 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 of shares to one of several jointholders shall be sufficient delivery to all such holders.

(b) The Company may not entertain any application for split of share/debenture certificate for less than 100 shares/debentures (all relating to the same series) or in market lots as the case may be.

Provided however. this restriction may not apply to an application made by the existing member or debenture holder for split of share/debenture certificate with a view to make an odd lot holding into a marketable lot subject to verification by the Company.

(c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.

30. **Issue of new Certificates in Place of one Defaced Lost or Destroyed**

If any certificate be worn out, defaced, mutilated or torn if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under this Article shall be issued without payment of fees. Out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors.

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

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

## UNDERWRITING COMMISSION AND BROKERAGE

31. **Power to pay Certain Commission and Prohibition of Payment of All other Commissions, Discounts etc.**

(A) The Company may pay a commission to any person in consideration of:

(i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4 A) of Section 76 of the Act, or

(ii) his procuring or agreeing to procure subscriptions whether absolute or conditional for any shares in or debentures of the Company, if the following conditions are fulfilled, namely :

(a) the commission paid or agreed to be paid does not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;

(b) the amount or rate percent of the commission paid or agreed to be paid, on shares, on debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the Public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the commission with the Registrar and where a circular or notice not being a prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;

(c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and

(d) a copy of the contract for the payment of commission is delievered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.

(B) Save as aforesaid and save as provided in Section 79 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of :

(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;

(ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so alloted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company, or the money be paid out of the nominal purchase money or contract price, or otherwise.

(C) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.

(D) A vendor to, promoter of, or other person who receives payment in shares,

debentures or money from the Company shall have and shall be deemed always to be have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.

(E) The commission may be paid or satisfied (subject to the provisions of the Act and these articles) in cash, or in shares, debentures or debenture-stocks of the Company.

## CALLS

32. **Directors May Make Calls**
The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares/debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members/ debenture-holders in respect of all moneys unpaid on the shares/ debenture held by them respectively and each member/ debenture holder shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments as may be decided by the Board. A call may be postponed revoked as the Board may determine.

33. **Calls To date From Resolution**
A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by members/ debentureholders on a subsequent date to be specified by the Directors.

34. **Notice of Call**
One month notice in writing shall be given by the Company of every call made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may give notice in writing to the members/ debentureholders to revoke the same.

35. **Directors may Extend Time**
The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members/ debentureholders who on acconunt of residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member/ debentureholder shall be entitled to such extension, save as a matter of grace and favour.

36. **Sums Deemed to be Calls**
Any sum, which by the terms of issue of a share/ debenture becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share/debenture or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

37. **Instalments on Shares to be Duly Paid**
If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

38. **Calls on Shares of the Same Class to be made on Uniform Basis**
Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.

**Explanation :** For the purpose of this provision, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

39. **Liability of Joint Holders of Shares**
The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares.

40. **When Interest on Call or Instalment Payable**
If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

41. **Partial Payment not to Preclude Forfeiture**
Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of any such payment preclude the forfeiture of such shares as herein provided.

42. **Proof on Trial of Suit for Money due on Shares**
On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders , at or subsequent to the date at which the money is sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls 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 matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

43. **Payment in Anticipation of Calls may Carry Interest**

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

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

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

**LIEN**

44. **Company's Lien on Shares/Debentures**

The Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid-up shares and/or debentures) registered in the name of each Member and/or debenture holder (whether held singly or jointly with others) in respect of all moneys whether presently payable or not and shall extend to all dividends, interest rights and bonuses from time to time declared in respect of such shares and/or debentures. Unless otherwise agreed the registration of transfer of shares and/or debentures shall operate as a waiver of Company's lien, if any, on such shares and/or debentures. The Directors may at any time declare any share and/or debenture wholly or in part exempt from the provisions of this Article.

45. **As to Enforcing Lien by sale**

For the purpose of enforcing such lien, the Board may sell the shares/ debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debentures and may authorise one of their members or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such member/ debentureholder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debentureholder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

46. **Application of Proceeds of Sale**

(a) The net proceeds of any such sale shall be received by the Company and applied

in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.

(b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

## FORFEITURE

47. **If Call or Instalment not Paid Notice must be given**

(a) If any member or debentureholder fails to pay the whole or any part of any call or instalment or any money due in respect of any share or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debentureholder or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.

(b) The notice shall name a day not being less than one month days from the date of the notice and a place or places, on and at which such call, or instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or instalment or such part or other moneys is or are payable will be liable to be forfeited.

48. **In Default of Payment Shares or Debentures to be Forfeited**

If the requirements of any such notice as aforesaid are not compiled with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company, in respect of the payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest

paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.

49. **Entry of Forfeiture in Register of Members/Debentureholders**
When any shares/ debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debentureholder in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members or debentureholders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

50. **Forfeited Share/Debenture to be Property of Company and may be sold**
Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-alloted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

51. **Power to Annual Forfeiture**
The Directors may, at any time, before any shares or debentures so forfeited shall have been sold, re-alloted or otherwise disposed of, annual forfeiture thereof upon such conditions as they think fit.

52. **Shareholders or Debentureholders Still Liable to pay Money Owing at Time of Forfeiture and Interest**
Any member or debentureholder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, instalments, interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

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

54. **Certificate of Forfeiture**
A Certificate in writing under the hand of one Director and countersigned by the Secretary or any other Officer authorised by the Directors for the purpose, that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made that the forfeiture of the share or debenture was made by a resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.

55. **Validity of Sales under Articles 43 and 50**
Upon any sale after forfeiture or for enforcing a lien in purported exercise of

the powers here in above given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of members or Register of debentureholders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of members or debentureholders in respect of such shares or debenture the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

56. **Cancellation of Share/Debenture Certificate in Respect of Forfeited Shares/Debentures**
Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debentureholder) stand cancelled and become null and void and be of no effect, and the directors shall be entitled to issue a duplicate certificate/s in respect of the said share or debentures to the person/s entitled thereto.

57. **Title of Purchaser and Allottee of Forfeited Shares/Debentures**
The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-alloted or disposed off may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.

58. **Surrender of Shares or Debentures**
The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debentureholder desirous of surrendering them on such terms as they think fit.

## TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

59. **Register of Shares or Debentures**
The Company shall keep a book to be called the "Register of transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

60. **Form of Transfer**
The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof.

61. **Instrument of Transfer to be Executed by Transferor and Transferee**
Every such instrument of transfer shall be signed both by the transferor and transfee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

62. **Directors may Refuse to Register Transfer**

(a) Subject to the provisions of Section 111 of the Act and subject to the provisions of Securities Contract (Regulations) Act, 1956 and the rules and regulations made thereunder, the Directors may, at their own absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares.

(b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission by operation of law of the rights to, any shares or interest of a member in, or debentures of the Company.

63. **Transfer of Share**

(a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.

(c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company alongwith the Certificate relating to the shares and if no such Certificate is in existence, alongwith the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer, provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.

(d) Nothing in clause (c) above shall prejudice any power of the Company to register as share holder any person to whom the right to any share has been transmitted by operation of law.

(e) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

64. **Custody of Instrument of Transfer**
The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

65. **Transfer Books and Register of Members when Closed**
The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books. The Register of members or Register of debentureholders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

66. **Transfer to Minors etc.**
Only fully paid shares or debentures shall be transferred to a minor acting through his/ her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

67. **Title to Share of Deceased Holder**
The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a Succession Certificate or the legal representative of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 66 register the name of any person who claims to be absolutely entitled to the shares standing in the name of deceased member, as a member.

68. **Registration of Persons Entitled to Share Otherwise than by Transfer**
(a) Subject to the provisions of Article 74 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect

of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

(b) A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

69. **Claimant to be Entitled to Same Advantage**
The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

70. **Persons Entitled may Receive Dividend without being Registered as Member**

(a) A person entitled to a share by transmission shall, subject to the rights of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/ debenture.

(b) This Article shall not prejudice the provisions of Articles 45 and 56.

71. **Refusal to Register Nominee**
The Directors shall have the same right to refuse on legal grounds to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

72. **Directors may require Evidence of Transmission**
Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

73. **No Fees on Transfer or Transmission**
No fee shall be charged for registeration of transfer, probate, Succession Certificate

and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

74. **The Company not liable for Disregard of a Notice Prohibiting Registration of Transfer**
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 or persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

75. **Not more than Four Persons as Joint Holders**
The Company shall be entitled to decline to register more than four persons as the holders of any shares.

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

## JOINT HOLDERS

76. **Joint Holders**
Where two or more persons are registered as the holders of any share/ debenture, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.

(a) In the case of a transfer of share/ debenture held by joint holders, the transfer will be effective only if it is made by all the joint holders.

(b) The Joint holder of any share/ debenture shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share/ debenture.

(c) On the death of any one or more of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share/ debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on share/ debentures held by him jointly with any other person.

(d) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share/debenture.

(e) Only the person whose name stands first in the Register of Members/ Debentureholders as one of the joint holders of any share/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) (a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.

(f) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then 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 but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by Attorney or by proxy although the name of such joint-holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.

77. **Borrowing Powers**

Subject to the provisions of Sections 58A, 292 and 293 of the Act and of these Articles and subject to any restrictions imposed by Reserve Bank of India, Board of Directors, may from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided however where the moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such moneys without the sanction of the Company in General Meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be paid or effectual unless the tenderor proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

78. **Bonds, Debentures etc. to be subject to control of Directors**

Any bonds, debentures, debenture-stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to

be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

79. **Securities may be Assignable free from Equities**
Debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

80. **Power to issue shares at Discount**
With the previous authority of Company in General Meeting and the sanction of the Company Law Board and upon otherwise complying with the provisions of Section 79 of the Act, it will be lawful for the Directors to issue at a discount, shares of a class already issued.

81. **Debentures with voting rights not to be issued**

(a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.

(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

(d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 125 of the Act.

(e) The term 'charge' shall include mortgage in these Articles.

(f) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.

82. **Limitation of Time for Issue of Certificate**
The Company shall, within three months after the allotment of any of its debentures or debenture-stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and deliver the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture-stocks otherwise provide.

The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

83. **Right to Obtain Copies of and Inspect Trust Deed**

(i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment.

(1) in the case of a printed Trust Deed of the sum of Rupee one and

(2) in the case of a Trust Deed which has not been printed of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.

(ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debentureholder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of members of the Company.

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

85. **Indemnity May be given**
If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

86. **Registration of Charges**

(a) The provisions of the Act relating to registration of charges shall be complied with.

(b) In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.

(c) Where a charge is created in India but comprises property outside India, the instrument, creating or purporting to create the charge under Section 125 of the Act or a copy thereof varified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 125 of the Act.

(d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

(e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.

(f) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders pari passu.

(g) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures,

(h) The provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.

(i) The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.

(j) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.

(k) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provisions of Section 137 of the Act in regard to entering in this register of Charges any appointment of Receiver or Manager as therein provided.

(l) The Company shall also comply with the provisions of Section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.

(m) The Company shall keep at its registered office a Register of Charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the Company giving in each case:

(i) a short description of the property charged;

(ii) the amount of the charge; and

(iii) except in the case of securities to bearer, the names of persons entitled to the charge.

(n) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 144 of the Act.

87. **Trust not Recognised**
No notice of any trust, express or implied or constructive, shall be entered on the register of Debentureholders.

## SHARE WARRANTS

88. **Power to Issue Share Warrants**
The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act and accordingly, the Board may, in its discretion,

with respect to any share which is fully paid upon application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time require as to the identity of the person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may; from time to time require, issue a share warrant.

89. **Deposit of Share Warrants**

(a) The bearer of a share warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting, and exercising the other privilege of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of members as the holder of the share included in the deposited warrant.

(b) Not more than one person shall be recognised as depositor of the Share Warrant.

(c) The company shall on two days written notice return the deposited share warrant to the depositor.

90. **Privileges and Disabilities of the Holders of the Share Warrant**

(a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of members as the holders of the share included in the warrant and he shall be member of the Company.

91. **Issue of New Share Warrant or Coupon**

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

## CONVERSION OF SHARE INTO STOCK AND RECONVERSION

92. **Share may be converted into Stock**

The Company in general meeting may convert any paid up share into stock and when any share shall have been converted into stock the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near there to as circumstances will admit. The Company may at any time reconvert any stock in to paid up share of any denomination.

93. **Rights of Stock Holders**

The holders of stock shall, according to the amount of stock, held by them, have the

same right, Privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the shares from which the stock-arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and the assets on winding up) shall be conferred by an amount of stock which would not if existing in share, have conferred that privilege or advantage.

## GENERAL MEETINGS

94. **Statutory Meeting**
The statutory meeting of the Company shall be held at such place and time (within a period of not less than one month nor more than six months from the date on which the Company is entitled to commence business) as the Directors may determine and the Directors shall comply with the provision of the Section 165 of the Act relating thereto.

95. **Annual General Meeting**
Subject to the provisions contained in Section 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.

96. **Time and Place of Annual General Meeting**
Every annual general meeting shall be called at any 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 notice calling the meeting shall specify it as the annual general meeting.

97. **Sections 171 to 186 of the Act shall apply to Meeting**
Sections 171 to 186 of the Act with such adaptation and modifications, if any as may be prescribed, shall apply with respect to meeting of any class of members or debentureholders of the Company in like manner as they would with respect to general meetings of the Company.

98. **Powers of Directors to Call Extraordinary General Meeting**
The Directors may call an extraordinary general meeting of the Company whenever they think fit.

99. **Calling of Extra Ordinary General Meeting on Requisition**

(a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extra-ordinary general meeting of the company.

(b) The requisition shall set out the matters for the considerations of which the meeting

is to be called, shall be signed by requisitionists, and shall be deposited at the registered office of the company.

(c) The requisition may consist of several documents in like forms, each signed by one or more requisitionists.

(d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.

(e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requistion shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.

(f) If the Board does not, within twenty one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called.

(i) by the requisitionists themselves;

(ii) 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 share capital of the Company as is referred to in clause (d) above whichever is less.

**Explanation:** For the purpose of this clause, the Board shall in the case of a meeting at which 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 of the Act.

(g) A meeting, called under Clause (f) above, by the requisitionists or any of them:

(i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but

(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.

**Explanation :** Nothing in Clause (g) (ii) above, shall be deemed to prevent a meeting only commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

(h) Where two or more persons hold any shares or interest in the Company jointly, requisition, or a notice calling a meeting, signed by one or some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.

(i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a 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.

100. **Length of Notice for Calling Meeting**

(a) A general meeting of the Company may be called by giving not less than twenty one days' notice in writing.

(b) A General Meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto;

(i) in the case of an annual general meeting by all the members entitled to vote thereto; and

(ii) in the case of any other meeting, by members, of the Company holding not less than 95 (ninety five) per cent of such part of the paid up capital of the Company as gives a right to vote at the meetings;

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

101. **Contents and Manner of Service of Notice and Persons on whom it is to be served**

(a) 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.

(b) 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 a 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 giving the notice in any manner in which it might have been given if the death or insolvency had not occured;

(iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member or members of the Company and

(iv) to all the Directors of the Company.

Provided that where the notice of a meeting is given by advertising the same

in a newspaper circulating in the neighbourhood of the Registered Office of the Company under sub Section (3) of Section 53 of the Act, the statement of the material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(c) The Accidental omission 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 the Meeting.

102. **Explanatory Statement to be Annexed to Notice**

(A) For the purpose of this Article :

(i) 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-

(a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.

(b) the declaration of a dividend.

(c) the appointment of directors in the place of those retiring, and

(d) the appointment of and the fixing of the remuneration of the auditors, and

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

(B) 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 item of business including in particular the nature of the concern of interest, if any, therein of every Director, and the manager, if any.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects, any other Company, the extent of shareholding interest in that other Company of any such person shall be set out in circumstances specified in the provision to sub-section (2) of section 173 of the Act.

(C) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

103. **Quorum for Meeting**

(a) Five members personally present shall be the quorum for a Meeting of the Company.

(b) (i) 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 by requisition of members, shall stand dissolved.

(ii) In any other case, the meeting shall stand adjourned to the 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.

(c) No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.

104. **Adjourned Meeting to Transact Business**

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

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

105. **Chairman of General Meeting**

(a) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.

(b) (i) 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 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, subject to Article 182 ,the Directors present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall choose one of the Directors to be the Chairman and if no Directors present be willing to take the Chair, the members present shall choose one of themselves to be the Chairman.

(ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice-Chairman of the Board or by a Director at the expiration of 15 minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.

106. **Chairman with Consent may adjourn the Meeting**

The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situated.

107. **Business at the Adjourned Meeting**

No business shall be transacted at any adjourned meeting other than the business

which might have been transacted at the meeting from which the adjournment took place.

108. **Notice of Adjourned Meeting**
When a meeting is adjourned only for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting.

109. **In What Cases Poll taken With or Without Adjournment**
Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

## PROXIES

110. **Proxies**

(a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in case of joint holder, all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.

Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.

(b) 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 to attend and vote instead of himself, and that a proxy need not be a member.

(c) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty eight) hours before the meeting in order that the appointment may be effective thereat.

(d) The instrument appointing a proxy shall :
(i) be in writing, and

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

(e) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form or in such other form as the Directors may approve from time to time.

(f) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.

(g) 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 24 (twenty four) 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 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

## VOTES OF MEMBERS

111. **Restrictions on Exercise of Rights of Members who have not paid Calls etc.**

(a) No members 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.

(b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187B of the Act.

112. **Restriction on Exercise of Voting Right in Other cases to be void**

A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 108.

113. **Equal Rights of Share Holders**

Any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabillities as all other shareholders of the same class.

114. **Voting to be by show of Hands in First Instance**

At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands:

(a) Subject to the provisions of the Act, upon show of hands every members entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

(b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187 A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

115. **Voting rights of members of unsound mind and minors**

A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian

may, on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.

116. **Votes in respect of Shares of Deceased or Insolvent Members etc.**
Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

117. **Custody of Instrument**
If any such instrument of appointment be confirmed to the object of appointing proxy or substitute for voting at meeting of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

118. **Validity of Votes given by Proxy Notwithstanding Death of Members etc.**
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 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 registered office of the Company before the meeting.

119. **Time for Objections for Vote**
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 or representative not disallowed at such meeting or poll shall be deemed valid for all pur-poses or such meeting or poll whatsoever.

120. **Chairman of any Meeting to be the Judge of any Vote**
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.

121. **Chairman's Declaration of result of Voting by show of Hands to be Conclusive**
A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

122. **Demand for Poll**
(a) Before or on the declaration of the result of the voting on any resolution on a

show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than Fifty Thousand Rupees has been paid up.

(b) The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

123. **Demand for Poll not to prevent Transaction of other Business**
The Demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

124. **Time of taking Poll**
(a) A poll demanded on a question of adjournment shall be taken forthwith.

(b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

125. **Right of a Member to use his Votes Differently**
On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

126. **Scrutineers at Poll**
(a) 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.

(b) The Chairman shall have the power, at any time before the result of the poll is 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.

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

127. **Manner of taking Poll and Result thereof**
(a) 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.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

128. **Casting Vote**
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 or votes to which he may be entitled as member.

129. **Representation of Body Corporate**
A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, 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 of the Company.

130. **Representation of the President of India or Governors**

(a) The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187 A of the Act or any other statutory provision governing the same.

(b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.

(c) The Company shall observe the provisions of Section 187-b of the Act, in regards to the Public Trustee.

131. **Circulation of Members Resolution**
The Company shall comply with provisions of Section 188 of the Act, relating to circulation of members resolutions.

132. **Special Notice**
Where by any provision contained in the Act or in these articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

133. **Resolution Requiring Special Notice**
The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.

134. **Resolutions Passed At Adjourned Meeting**
The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned

meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

135. **Registration of Resolutions and Agreements**
The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.

136. **Minutes of Proceedings of General Meeting and of Board and Other Meetings**

(a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:

(i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the even of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:

(i) the names of the Directors present at the meetings, and

(ii) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.

(g) Nothing contained in Clause (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:

(i) is, or could reasonably be regarded, as defamatory of any person.

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

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

(h) The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

137. **Presumptions to be Drawn where Minutes duly drawn and Signed**
Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

138. **Inspection of Minute Books of General Meetings**

(a) The books containing the minutes of the proceedings of any general meeting of the Company shall :

(i) be kept at the registered office of the Company, and

(ii) be open, during the business hours to the inspection of any member without charge, subject to such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

(b) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company, with a copy of any minutes referred to in Clause (a) above, on payment of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.

139. **Publication of Reports of Proceedings of General Meetings**
No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

## MANAGERIAL PERSONNEL

140. **Managerial Personnel**
The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

141. **Board of Directors**

Until otherwise determined by the Company in general meeting, the number of Directors shall not be less than three and more than twelve excluding the Nominee Directors appointed by Public Financial Institutions in accordance with any statutory provisions, or provisions of Article 144 hereof and also including the Alternate Director. The appointment of the Director exceeding 12 will be subject to the provisions of Section 259 of the Act.

So long as GIIC/Government Gujarat (and its nominees) shall continue to hold not less than 26% in the Equity Share capital of the company, GIIC/Government of Gujarat shall be entitled to nominate upto FOUR Directors including Chairman. These Directors shall be hereinafter referred to as GIIC Directors.

142. **First Directors**

The First Directors of the Company shall be :

1. **Shri H. K. Khan, IAS**
2. **Shri P. R. Vyas**
3. **Shri A. Jagannathan**

143. **Debenture Directors**

Any Trust Deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of Debentures or debenture-stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

144. **Nominee Director**

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), the Industrial Credit and Investment Corporation of India Limited (ICICI), Industrial Finance Corporation of India (IFCI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC, and UTI or any or any other Finance Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "the corporation") continue to hold debentures in the Company as a result of underwriting or by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the

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

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

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

The Nominee Director/s so appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and renumeration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by 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 fee in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as wholetime

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

145. **Special Director**

(a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such Company, Corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time, any person or persons as Director or Directors of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such Collaborator under the collaboration arrangements or any time thereafter.

(b) The Collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

(c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as a Director(s) and so that if more than one Collaborator is so entitled there may at any time be as many Special Directors as the Collaborators eligible to make the appointment.

146. **Limit on Number of Non-Retiring Directors**

Subject to the provisions of Section 255 of the Act, the number of Directors appointed under Articles 140, 141 and 170 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

147. **Apointment of Alternate Director**

The Board may appoint an alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An alternative Director so appointed shall not hold office as such for a period longer than that permissible to the original Director in whose place he had been appointed and shall vacate if and when the original Director returns to the State in which meetings of the Board are ordinarily held.

148. **Appointment of Additional Director**

Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed

by the Articles. Any Director so appointed shall hold the office only upto the next annual general meeting of the Company and shall then be eligible for reappointment.

149. **Appointment of Director to fill the Casual Vacancy**
Subject to the provisions of Section 262 of the Act, the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the nominal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

150. **Individual Resolution for Directors Appointment**
At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automative re-appointment of retiring director by virtue of these articles and the Act in default of another appointment shall apply.

151. **Qualification of Director**
A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.

152. **Remuneration of Directors**

(a) Subject to the provisions of the Act, a Managing Director or a Director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by the other.

(b) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director may be paid remuneration either:

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or

(ii) by way of commission if the Company by a special resolution has authorised such payment.

(c) Every Director shall be paid such amount of remuneration by way of fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time, as may be determined by the Board for each meeting of the Board or Committee thereof attended by him.

153. **Travelling and Other Expenses**
The Board may allow and pay to any Director for the purpose of attending a meeting

such sum either as fixed allowance and/or actual as the Board may consider fair compensation for travelling, boarding and lodging and incidental and/or actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meetings to and from the place at which the meetings to and from the place at which the meetings of the Board or Committees thereof or general meetings of the Company are held from time to time or any other place at which the Director executes his duties.

154. **Remuneration for Extra Services**

If any Director, being willing shall be called upon to perform extra services or to take any special exertions for any of the purposes of the Company and in that event the Company may, subject to the provisions of the Act, remunerate such Director either by a fixed sum or by a percentage of profit or otherwise, as may be determined by the Directors but not exceeding that permitted under Section 309 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

155. **Increase in Remuneration of Directors to require Government Sanction**

Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original apointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Company or in any resolutions passed by the Company in General Meeting or by the Board of Directors shall be subject to the provisions of Section 198, 269, 310 and 311 of the Act and in accordance with the conditions specified in paragraphs I and II of Schedule XIII and subject to the provisions of Part III of that Schedule and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule XIII, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

156. **Director Not to Act when Number Falls Below Minimum**

When the number of Directors in Office falls below the minimum fixed above, the Directors, shall not act except in emergencies or for the purposes of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.

157. **Eligibility**

A person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.

158. **Directors Vacating Office**

(a) The office of a Director shall vacate if :

(i) he is found to be of unsound mind by a Court of competent jurisdiction;

(ii) he applies to be adjudicated an insolvent;

(iii) he is adjudicated an insolvent;

(iv) he is convicted by a Court, of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;

(v) 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 unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;

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

(vii) he, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act;

(viii) he acts in contravention of Section 299 of the Act;

(ix) he becomes disqualified by an order of court under Section 203 of the Act;

(x) he is removed in pursuance of Section 284 of the Act;

(xi) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

(xii) he resigns his office by notice in writing given to the Company.

(b) Notwithstanding anything in sub-clauses (iii), (iv) and (v) of Clause (a) above, the disqualifications referred to in these sub- clauses shall not take effect :

(i) for thirty days from the date of the adjudication, sentence or orders;

(ii) where any appeal or petition is preferred within 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 off, or

(iii) 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 off.

**CERTIFIED TRUE COPY**
For, Gujarat Lease Financing Ltd.



Authorised Signatory

159. **Removal of Directors**

(a) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any director other than ex-officio directors or special directors or debenture directors or a nominee director or a director appointed by the Central Government in pursuance of Section 408 of the Act, before the expiry of his period of office.

(b) Special notice as provided by Section 190 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

(c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

(d) Whether notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the company shall unless the representations are received by it too late for it do so.

(i) In the notice of the resolution given to members of the company state the fact of representations having been made, and

(ii) send a copy of the representation to every member of the company whom notice of the meeting is sent(whether before or after receipt of the representations by the company), and if a copy of representations, is not sent as aforesaid because they were received too late or because of the company's default, the Director may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting, provided that copies of the representations need not be sent or read out at the meeting if so directed by the Court.

(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in general meeting or by the Board in pursuance of Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under clause (e) above it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of Section 262 of the Act, and all the provisions of that Section shall apply accordingly:

Provided that the Diredctor who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(g) Nothing contained in this Article shall be taken :

(i) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as director; or

(ii) as derogating from any power to remove a Director which may exist apart from this Article.

160. **Directors may Contract with Company**

Subject to the restrictions imposed by these Articles and by Sections 292, 293, 294, 295, 297, 300, 311, 370 and 373 and any other provisions of the Act, no Director, Managing Director,or other officer or employee of the Company shall be disqualified from holding his office by 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 Director, Jt. Managing Director, Executive Director other officer or employee shall be in any way interested, be avoided, nor shall the Director, Managing Director or any officer or employee 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, officer or employee 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.

161. **Disclosure of Directors' Interest**

(1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors, in the manner provided in Section 299 (2) of the Act.

(2) (a) In the case of proposed contract or arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he be so concerned or interested.

(b) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) (a) For the purpose of clauses (1) and (2) a general notice given to the Board by a Director to the effect that he is a Director or a member of specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notices, entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(b) Any such general notice, shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in the last month of financial year in which it would otherwise expire.

(c) No such general notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or two or more of Directors together holds or hold not more than two percent of the paid up share capital in other company.

162. **Board Resolution necessary for Certain Contracts**

(1) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a 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-clause (a) of clause (1) shall affect -

(a) the purchase of goods and materials from the Company or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(3) Notwithstanding anything contained in clauses (1) and (2) a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into.

(4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

(5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be avoidable at the option of the Board.

163. **Disclosures to the Members of Directors' Interest in Contract in Appointing Manager Managing Director or Secretaries and Treasurers**

If the Company -

(a) enters into a contract for the appointment of a Manager or Managing Director of the Company in which contract any Director of the Company is in any way directly or indirectly concerned or interested; or

(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.

164. **Holding of Office of Profit by Directors etc.**

(1) Except with the consent of the Company accorded by a special resolution :

(a) No Director of the Company shall hold any office or place of profit; and

(b) No partner or relative of such a Director, no firm in which such a Director or relative of such Director is partner, no private company of which such a Director is a Director or member, and no Director or Manager of such a private company shall hold any office or place of profit, carrying a total monthly remuneration of such sum as may be prescribed, except that of Managing Director or Manager, banker or trustee for the holders of debentures of the Company :

(i) under the Company; or

(ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company PROVIDED that it shall be sufficient if the special resolution according consent of the Company is passed at the general meeting of the Company held for the first time after the holding of such office or place of profit;

For the purpose of this clause a special resolution according consent shall be necessary for every appointment in the first instance to an office or place of profit and to every subsequent appointment in the first instance to an office or place of profit on a higher remuneration not covered by the special resolution except where an appointment on a time scale has already been approved by the special resolution;

(2) Nothing in Clause (1) hereof shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes a Director of the Company.

(3) If any officer or place of profit is held in contravention of the provisions of sub-clause (1), above or except as provided by clause (2) above, the Director, partner, relative, firm, private company or manager concerned shall be deemed to have

or provide any security in connection with loan made by any other person to, or any other person by-

(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 is a Director or member;

(d) any body corporate at a general meeting of which not less than twenty-five per cent 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 or Manager whereof, is accustomed to act in accordance with the directions or instruction of the Board, or of any Director or Directors of the Company.

166. **Loans to Companies**
The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the Companies or bodies corporate under the same management as provided in Section 370 of the Act.

167. **Interested Director not to Participate or Vote in Board's Proceedings**
No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote it shall be void; PROVIDED that the Board of Directors or any of its number may vote on any contract of indemnity against any loss which it or any one of or more of its number may suffer by reason of becoming or being sureties or surety for the Company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with a public company or a private Company which is a subsidiary of a public Company in which the interest of the Director aforesaid consists solely-

(i) in his being a Director of such Company and the holder of not more than shares of such number or value therein as is requisite to qualify him for the appointment as a Director thereof, he having been nominated as such Director by the Company.

(ii) in his being a member holding not more than two per cent of its paid up share capital.

This Article is subject to the provisions of sub-section (2) of Section 300 of the Act.

168. **Register of Contracts in which Directors are Interested**
(i) The Company shall keep one or more Registers in which it shall be entered

separately particulars of all contracts and arrangements to which Sections 297 and 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely:

(a) the date of the contract or arrangement;

(b) the names of the parties thereto;

(c) the principal terms and conditions thereof;

(d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies the date on which it was placed before the Board;

(e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.

(ii) Particulars of every such contract or arrangement to which Section 297 of the Act or as the case may be sub-section (2) of Section 299 applies shall be entered in the relevant register aforesaid-

(a) in the case of a contract or arrangement requiring the Board's approval within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved;

(b) in the case of any other contract or arrangement within seven days of the receipt at the Registered Office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement whichever is later, and the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.

(c) the register shall be kept at the registered office of the Company, and it shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

(iii) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.

(iv) Nothing in Clauses (i), (ii) and (iii) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of such services does not exceed rupees one thousand in the aggregate in any year.

## ROTATION AND APPOINTMENT OF DIRECTORS

169. **Director may be Director of Companies Promoted by the Company**
A Director may be or become a Director of any Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 309(6) or Section 314 of the Act may be applicable.

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 otherwise expressly provided in the Act, be appointed by the Company in general meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting.

170. **Ascertainment of Directors Retiring by Rotation and Filling up Vacancy**

(a) At every annual general meeting one-third of such directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearer to one-third, shall retire from office.

The Debenture Directors, Corporation Directors, Special Directors, and subject to Article 146 Chairman, Managing Director or whole time Director if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.

(b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot. A Retiring Director shall be eligible for re-election.

(c) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

(d) (i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that the meeting also has not expressly resolved not to fill the

vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless-

(1) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;

(2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

(3) he is not qualified or is disqualified for appointment;

(4) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or

(e) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

71. **Right of Persons Other than Retiring Directors to Stand for Directorship**

(a) A person who is not a retiring Director shall in accordance with Section 257 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member or members intending to propose him has, not less than fourteen days before the meeting left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of director or the intention of such member or members to propose him as a candidate for that office, as the case may be alongwith a deposit of such sum as may be prescribed by the Act or the Central Government from time to time, which shall be refunded to such person or as the case may be to such member, if the person succeeds in getting elected as the director.

(b) The Company shall inform its members of the candidature of a person for the office of director or the intention of a member(s) to propose a person as a candidate for that official by serving individual notices on the members not less than seven days before the meeting in the manner provided under Section 257 of the Act.

72. **Consent of Candidates for Directorship to be Filed with the Registrar**

Every person who is proposed as a candidate for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as a Director, if appointed, in accordance with the provisions of Section 264 of the Act in so far as they may be applicable.

73. **Company may Increase or Reduce the Number of Directors or Remove any Director**

Subject to the provisions of Sections 252, 255 and 259 of the Act, and these Articles the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.

74. **Appointment of Directors to be Voted Individually**

(1) No motion at any general meeting of the Company shall be made for the

appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made, has been first agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided that for the automatic re-appointment of retiring Director in default of another appointment as hereinbefore provided shall apply.

(3) For the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

175. **Notice of Candidature for Office of Directors Except in Certain Cases**

(1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless he or some other member intending to propose him has, at least 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 of a Director or the intention of such member to propose him as a Director for office as the case may be along with a deposit of five hundred Rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

(2) The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices on the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

(3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.

(4) A person, other than -

(a) a Director, re-appointed after retirement by rotation or immediately on the expiry of his term of office, or

(b) an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

176. **Register of Directors and Notification of Change to Registrar**

(1) The Company shall keep at its Registered Office a Register containing the particulars of its Directors and other persons mentioned in Section 303 of the Act and shall send to the Registrar a Return containing the particulars specified in such Register and shall otherwise comply with the provisions of the said Section in all respects.

(2) The Company shall keep at its Registered Office a Register showing as respects each Director of the Company the number, description, and amount of any shares in or debentures of the company or any other body corporate being the company's subsidiary or holding company or a subsidiary of the company's holding company which are held by him or in trust for him or of which he has any right to become the holder whether on payment or not , as required by Section 307 of the Act. Such Register shall be kept open for inspection by any member or debentureholder of the company as required by section 307 (5) of the Act.

177. **Disclosure by Director of Appointment to any other Body Corporate**

Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to Sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company who is appointed to or relinquishes office of Director, Managing Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be, relinquishment of such office 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 of the Act.

178. **Disclosure by Directors of their Holdings of Shares and Debentures of the Company**

Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act 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 that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

179. **Meeting of Directors**

The Directors may meet together as a Board for transaction of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meeting of the Board, which had been called in compliance with the terms herein mentioned could not be held for want of quorum.

30. **When Meeting to be Convened**

Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

31. **Directors Entitled to Notice**

Notice of every meeting of the Board of the Company shall be given in writing to

every Director for the time being in India and at his usual address in India. Notice may be given by telegram/cable/telex to any Director who is not in the State of Gujarat.

182. **Appointment of Chairman**
So long as the Corporation and its Nominees hold more than 11% in the Equity Share Capital of the Company, Government of Gujart shall have the right to nominate the Chairman of the Company out of GIIC Directors The Chairman shall have a casting vote at the Board Meeting and General Meeting.

183. **Quorum at Board Meeting**
Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength excluding Directors if any; whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two Directors, whichever is higher PROVIDED THAT WHERE AT ANY TIME THE NUMBER OF INTERESTED Directors exceeds or is equal to two-thirds of the total strength of the number of remaining Director that is to say, the number of Directors who are not interested present at the meeting being not less than two, shall be the quorum during such time.

184. **Board may Appoint Managing Director**

(a) The company shall have a Managing Director (whether called Chief Executive or by any other designation).

(b) The Managing Director of the Company shall be appointed by the Board of the Company out of Torrent Group Directors as recommened by GIIC/Government of Gujarat, who shall be a professional person possessing the requisite qualifications, business experience and competence. This will apply to all appointments, whether made initially or subsequently, as a fresh appointment or re-appointment.

(c) Subject to the provisions of Article 190 and the superintendence of the Board, the Chief Executive shall have the management of the affairs of the company. The remuneration of the Chief Executive shall be such as may be determined by the Board from time to time and may be by way of monthly payment, fee for each meeting or participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act.

(d) Any Managing Director so appointed shall not be required to hold any qualification shares and shall not be liable to retire at any General Meeting of the Company.

(e) Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act and also subject to the limitations, conditions and provisions of Schedule XIII to the Act, the appointment and payment of remuneration to the above Director/s shall be subject to approval of the members in general meeting and of the Central Government if required.

(f) Subject to the superintendance, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director (if appointed as Chief Executive and/or Whole-time Director), if any, with power to

the Board to distribute such day to day management functions in any manner as deemed fit by the Board subject to the provisions of the Act, and these Articles.

185. **Meeting of Committee, How to be Governed**
The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors.

186. **Resolution by Circular**
No Resolution by circular shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless such Resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee at the respective addresses registered with the Company and has been approved by the majority of the Directors or Members of the Committee or by a majority of such of them as are entitled to vote on the Resolution.

187. **Directors May Appoint Committees**
Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of two or more members of its body as it thinks fit. However, the Chairman of such committee shall be out of GIIC Directors. The Chairman shall have a casting vote at committee meetings and the Board may from time to time, revoke and discharge such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of its appointment but not otherwise, shall have the like force and effect as if done by the Board.

188. **Limit of Directors Numbers**
Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in this behalf by the Articles.

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

## POWER OF DIRECTORS

190. **Certain Powers to be Exercised by the Board**
(a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company

and they shall do so only by means of resolutions passed at meetings of the Board -

(i) The power to make calls on shareholders in respect of money unpaid on their shares;

(ii) The power to issue debenture;

(iii) The power to borrow moneys otherwise than on debentures;

(iv) The power to invest the funds of the Company, and

(v) The power to make loans.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (iii), (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such conditions as the Board may prescribe.

(b) Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.

(c) Every resolution delegating the power referred to in sub-clause (iv) of clause (a) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.

(d) Every resolution delegating the power referred to in sub-clause (v) of clause (a) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount upto which loans may be made for each such purpose in individual case.

(e) Nothing in this article contained 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 referred to in sub-clauses (i), (ii), (iii), (iv) and (v) of clause (a) above.

191. **Restriction on Powers of Board**

(a) The Board of Directors of the Company shall not except with the consent of the Company in general meeting :

(i) 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;

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

(iii) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (i) above, 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;

(iv) borrow moneys, where the money 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 of 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 purposes; or

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

(b) Nothing contained in sub-clause (i) of clause (a) above shall affect :

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

(ii) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.

(c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) above, may attach such conditions to the permission as may as 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 clause shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.

(d) No debt incurred by the Company in exercise of the limit imposed by sub-clause (iv) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

(e) Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in sub-section (1) of Section 293 of the Act and in regard to the limitations on the power of the Company contained in Section 293 A of the Act.

192. **General Powers of the Company Vested in Directors**

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 not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other 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 or the Act, 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.

193. **Specific Powers Given to Directors**

Without prejudice to the general powers conferred by Article 192 and the other powers conferred by these presents and so as not in any way to limit any or all of these powers, it is hereby expressly declared that the Directors shall have the following powers :

**To Pay Registration Expenses**

(i) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation establishment and registration of the Company;

(ii) To pay and charge to the capital account of the Company any interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act;

**To Acquire Property**

(iii) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.

**To Purchase Lands, Buildings, etc.**

(iv) Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

**To Construct Buildings**

(v) To effect, 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.

**To Mortgage, Charge Property**

(vi) 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 conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

**To Pay for Property Etc.**

(vii) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture-stock or other securities of the Company, and any such shares stock of 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 or not so charged;

**To Insure**

(viii) 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 building, machinery, goods, stores, produce and other movable 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 assurance effected in pursuance of this power;

**To Open Accounts**

(ix) 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;

**To Secure Contracts**

(x) To secure the fulfilment of any contracts of engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;

**To Attach to Shares such Conditions**

(xi) To attach to any shares to be issued as the consideration for any contract with 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 may think fit;

**To Accept, Surrender, of Shares**

(xii) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;

**To Appoint Attorney**

(xiii) 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 for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;

**To Bring and Defend Actions**

(xiv) 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;

**To Refer to Arbitration**

(xv) 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;

**To Act on Insolvency Matters**

(xvi) To act on behalf of the Company in all matters relating to bankrupts and Insolvents;

**To Give Receipts**

(xvii) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act;

**To Authorise Acceptances**

(xviii) To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend/interest warrants, release, contracts and documents on the Company's behalf;

**To Invest Moneys**

(xix) Subject to the provisions of Sections 292, 293, 370 and 372 of the Act, to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments;

**To Provide For Personal Liabilities**

(xx) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

**To Give to Directors Etc. An Interest in Business**

(xxi) 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.

**To Provide for Welfare of Employees**

(xxii) To provide for the welfare of employees or ex-employees of the Company and their wives, widows,families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions allowances, gratitudes, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, 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;

**To Subscribe to Charitable and Other Funds**

(xxiii) To subscribe, or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other useful institutions, object or purposes for any exhibition;

**To Maintain Pension Funds**

(xxiv) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratitudes, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such Subsidiary Company, or who are or were at any time Directors or Officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidise and subscribe to any institutions, associations, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid

(xxv) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

**To Create Reserve Fund**

(xxvi) Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund 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 purposes 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 required to be invested upon such investments (subject to the restrictions imposed by Section 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 investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the 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 expend the same or any part thereof may be matters to or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and 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 other assets or 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.

**To Appoint Officers Etc.**

(xxvii) The Board shall have specific power to appoint officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants provided that the appointment of a person on a post carrying a salary of Rs. 6,000/- per month or above or on a pay scale the maximum of which is Rs. 6,000/- per month or above shall be made only by means of resolution passed at a Board Meeting.

**To Authorise by Power of Attorney**

(xxviii) At any time and from time to time by power of attorney 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 to time think fit and any such appointment (if the Directors may think fit)be made in favour of any Company or the members, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates

or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.

**To Authorise, Delegate**

(xxix) 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 of sub-delegation) any Director, Officer or Officers or Employee for the time being of the Company and/or any other person, firm or 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.

**To Negotiate**

(xxx) To enter into all such negotiations, contracts and rescind and/or vary all such contracts 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.

(xxxi) From time to time to make vary any legal bye-laws for the regulations of the business of the Company, its officers and servants.

194. **Secretary**

Subject to the provisions of Section 383 A of the Act, the Directors may, from time to time appoint and, at their discretion remove any individual (hereinafter called 'the Secretary') who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

195. **Seal**

(i) The Board of Directors shall provide a Common Seal for the purpose of the Company, shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for its safe custody for the time being under such regulations as the Board may prescribe.

(ii) The Seal of the Company shall not be affixed to any instrument except by the authority of the Board of Directors or of a Committee of the Board of Directors authorised by it in that behalf and in the presence of at least one Director and the Secretary or a person authorised for the purpose if there is no Secretary for the time being.

Provided however that the certificates of shares shall be signed in the same manner as the certificates of the shares are required to be signed in conformity with the provisions of Companies (Issue of Share Certificates) Rules 1960 and their statutory modifications for the time being in force.

196. **Interest may be Paid Out of Capital**

Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work for or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period and at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, of the provisions of the plant.

197. **Dividends Out of Profits Only**

(i) No Dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a Guarantee given by the Government and except after the transfer to the reserves of the Company of such percentage out of the profits for that year not exceeding ten per cent as may be prescribed or voluntarily such higher percentage in accordance with the rules as may be made by the Central Government in that behalf. PROVIDED HOWEVER whether owing to inadequency or absence of profits in any year, the Company proposes to declare out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and whether any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the Central Government.

(ii) The depreciation shall be provided either -

(a) to the extent specified in Section 350 of the Act; or

(b) in respect of each item of a depreciable asset, for such an amount as is arrived at by dividing 95 per cent of the original cost thereof to the company by the specified period in respect of such asset; or

(c) on any other basis approved by the Central Government which has the effect of writing off by way of depreciation 95 per cent of the original cost of the company of its such depreciable asset on the expiry of the specified period; or

(d) as regards any other depreciable assets for which no rate of depreciation has been laid down by the Act or any rules made thereunder on such basis as may be approved by the Central Government by any general order published in the Official Gazette or by any special order in the case of the company.

Provided that where depreciation is provided for in the manner laid down

in Clause (b) or Clause (c), then in the event of the depreciated assets being sold, discarded, demolished or destroyed, the written down value thereof at the end of the financial year in which the assets is sold, discarded, demolished or destroyed shall be written off in accordance with the proviso to Section 350 of the Act.

(iii) No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.

(iv) Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

(v) For the purpose of this Articles 'Specified period' in respect of any depreciable asset shall mean the number of years at the end of which atleast 95 per cent of the original cost of that asset to the Company will have been provided for by way of depreciation, if depreciation were to be calculated in accordance with the provisions of Section 35O of the Act.

198. **Interim Dividend**
The Board of Directors may from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

199. **Debts May Be Deducted**
The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

200. **Capital Paid Up in Advance and Interest Not to Earn Dividend**
Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to dividend or to participate in profits.

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

202. **Right to Dividend, Right Shares and Bonus Shares to be held in Abeyance Pending Registration of Transfer of Shares**
Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the Company, it shall, notwithstanding anything contained in any other provision of this Act, shall-

(a) transfer the dividend in relation to such shares to the special account referred to in Section 205-A unless the company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and

(b) keep in abeyance in relations to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 and any issue of fully paid-up bonus shares in pursuance of sub- section (3) of Section 205.

203. **No Member to receive Dividend whilst Indebted to the Company and the Company's Right of Reimbursement Thereof**

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

204. **Effect of Transfer of Shares**

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

205. **Dividends How Remitted**

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

206. **Notice of Dividend**

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

207. **Unpaid Dividend or Dividend Warrant Posted**

(a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of GUJARAT LEASE FINANCING LIMITED" and transfer to the said Account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

(b) Any money transferred to the unpaid dividend account of the Company which

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

'08. **No Interest on Dividends**

No unpaid dividend shall be forfeited by the Board.

'09. **Dividend and call together**

Any General Meeting declaring as dividend may on the recommendations of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and members be set off against the calls.

## CAPITALISATION

210. **Capitalisation**

(a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any monies, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital redemption Reserve Account) may be capitalised :

(i) by the issue and distribution as fully paid shares, debentures, debenture-stock, bonds or obligations of the Company, or

(ii) by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the Share Premium Account may be applied in;

(1) paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(2) in writing off the preliminary expenses of the Company;

(3) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or

(4) in providing for the premium payable on the redemption of any

redeemable preference share or of any debentures of the Company, provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.

(b) Such issue and distribution under Sub-clause (a) (i) above and such payment to the credit of unpaid share capital sub-clause (a) (ii) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a) (ii) above shall be made on the footing that such members become entitled thereto as capital.

(c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under sub-clause (a) (i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such member as aforesaid in full satisfaction of their interest in the said capitalised sum.

(d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as a aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures,debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debenture, debenture-stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.

(e) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and in respect of the partly paid shares the sums so applied in the extinguishment or diminution of the liability on the partly paid shares shall be so applied prorata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

(f) When deemed requisite a proper contract shall be filed with the Registrar of

Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

## ACCOUNTS

211. **Accounts**

The provisions of Sections 209 to 222 of the Act shall be complied within so far as the same be applicable to the Company.

212. **Books of Accounts to be kept**

(a) The Company shall keep at its Registered Office proper books of accounts as required by Section 209 of the Act with respect to :

(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(ii) all sales and purchases of goods by the Company; and

(iii) the assets and liabilities of the Company;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors so decide, the Company shall, within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

(b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transaction effected at that office shall be kept at that office and proper summarised returns made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.

(c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be with respect to the matters aforesaid, and explain the transactions.

(d) The books of account shall be open to inspection by any Director during business hours as provided by Section 209 of the Act.

(e) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.

213. **Inspection by Members**

The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting

any account or books or documents of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in general meeting.

214. **Statement of Accounts to be furnished to General Meeting**
The Board of Directors shall lay before each annual general meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date, which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

215. **Balance Sheet and Profit and Loss Account**

(a) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet a statement showing the bodies corporate (including separately the bodies corporate in the same group) in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.

(b) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 212 and other applicable provisions of the Act.

(c) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

216. **Authentication of Balance Sheet and Profit and Loss Account**

(a) (i) Save as provided by item (ii) of this sub-clause every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if any.

(ii) When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit and Loss Account shall be signed by such Director, but in such a case, there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non compliance with the provisions of the above item (i).

(b) The Balance Sheet and the Profit and Loss Account, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon.

217. **Profit and Loss Account to be Annexed and Auditors' Report to be attached to the Balance Sheet**
The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report

including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

218. **Board's Report to be Attached to Balance Sheet**

(a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs; the amounts if any which it proposes to carry to any reserves in such Balance Sheet, the amount, if any, which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occured between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report and the conservation energy, technology absorption, foreign exchange earnings and out-go in such manner as may be prescribed.

(b) The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occured during the financial year in the nature of the Company or Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest.

(c) The Board shall also give the fullest information and explanations in its Report or in cases falling under the proviso to Section 222 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.

(d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clauses (a) and (b) of Article 209.

(e) The Boards shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with.

(f) Every Balance sheet and Profit and Loss Account of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

219. **Right of Members to copies of Balance Sheet and Auditor's Report**

A copy of every balance sheet including the profit and loss account and the auditor's report and every other document required by law to be annexed or attached, as the case may be, to the balance sheet which is to be laid before the Company in General

Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as may be permitted by Section 219 of the Act and as the Company may deem fit, will be sent to every member of the company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the date of the meeting as laid down in Section 219 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to :

(a) to a member or holder of the debentures of the Company who is not entitled to have the notice of general meering of the Company sent to him and whose address the company is unaware;

(b) to more than one of the joint holders of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

220. **Three Copies of Balance Sheet etc. to be filed with Registrar**
After the Balance Sheet and Profit and Loss Account have been laid before the Company at the annual general meeting, three copies of the Balance Sheet and Profit and Loss Account duly signed as provided under Section 220 of the Act together with three copies of all documents which are required to be annexed thereto shall be filed with the Registrar, so far as the same be applicable to the Company.

## AUDIT

221. **Accounts to be audited**
Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

222. **Appointment of Auditors**

(1) The Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 229 and 231 of the Act.

(2) The Company shall at each annual general meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusions of the next annual general meeting and shall within seven days of appointment give intimation thereof to the Auditors so appointed unless he is retiring Auditor.

(3) At any annual general meeting a Retiring Auditor , by whatever authority appointed shall be reappointed unless:

(a) he is not qualified for re-appointment;

(b) he has given the Company notice in writing of unwillingness to be re-appointed;

(c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed or

(d) where notice has been given of an intended resolution to appoint some persons or person in the place of a retiring Auditor, and by reason of death, incapacity or disqualification of that person or of all those persons as the case may be, the Resolution cannot be proceeded with.

(4) where at annual general meeting no Auditors are appointed or reappointed the Central Government may appoint a person to fill the vacancy.

(5) The Company shall, within seven days of the Central Government's power under the sub-clause (4) becoming exercisable give notice of that fact to that Government.

(6) The Directors may fill any casual vacancy in the office of the Auditor, but while any such vacancy continues, the serving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by resignation of an Auditor the vacancy shall only be filled by the Company in general meeting.

(7) A person other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof to the members in accordance with Section 225 of the Act. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.

223. **Audit of Branch Office**

The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company, except to the extent to which any exemption may be granted by the Central Government, in that behalf.

224. **Auditors to have access to the Books of the Company**

(a) The Auditor/s of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor/s.

(b) All notice of,and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company; and the Auditor/s shall be entitled to attend any general meeting and to be heard at any general meeting which he attends to any part of the business which concerns him as Auditor.

(c) The Auditors 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 declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid down before the Company in annual 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

explanation 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 the 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 year.

(d) The Auditor's Report shall also state-

(i) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;

(ii) Whether, in his opinion, proper books of accounts 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 purpose of his audit have been received from branches not visited by him;

(iii) whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company's auditor has been forwarded to him as required by clause (c) of sub-section (3) of the Section and how he has dealt with the same in preparing the Auditor's Report;

(iv) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts and returns.

(e) Whether any of the matters referred to in the Article is answered in the negative or with a qualification the Auditor's Report shall state the reasons for the answer.

225. **Accounts When Audited and Approved to be Conclusive**
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. Whenever any such error is discovered within that period, the account shall forthwith be corrected and thenceforth shall be conclusive.

226. **Authentication of Documents and Proceedings**
Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director or an authorised officer of the Company and need not be under its Seal.

## DOCUMENTS AND NOTICES

227. **Service of Documents on Members By the Company**

(i) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address or if he has no registered address in India, to the address if any, within India, supplied by him to the Company for serving documents or notices to him.

(ii) Where a document or notice 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 or the notice 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 acknowledgements due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents or notice shall not be deemed to be affected unless it is sent in the manner intimated by the members; and

(b) Such service shall be deemed to have been affected;

(i) in the case of a notice of 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.

(iii) A document or notice advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.

(iv) A document or notice may be served by the Company on the joint holders of a share by serving it to the joint holder named first in the Register in respect of the share.

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

(vi) The signature to any document or notice to be given by the Company, may be written or printed or lithographed.

228. **To Whom Documents must be Served or Given**

Document of notice of every general meeting shall be served or given in the same manner herein before authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the auditor or auditors for the time being of the Company, PROVIDED that when the notice of

the meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company under Article 100, a statement of material facts, referred to in Article 101 need not be annexed to the notice as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

229. **Members Bound by Documents or Notice Served on or Given to Previous Holders**
Every person, who by operation of law, transfer or other means whatsoever, has become entitled to share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derived his title to such share.

230. **Service of Documents on Company**
A document may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by post under a certificate of posting or by Registered Post by leaving it at its Registered Office.

231. **Service of Documents by Company on the Registrar of Companies**
A document may be served on the Registrar of Companies by sending it to him at his office by post under a Certificate of posting or by Registered Post or by delivering it to or leaving it for him at his office.

## REGISTERS AND DOCUMENTS

232. **Registers and Documents to be Maintained By the Company**
The Company shall keep and maintain Registers, Books and documents as required by the Act or these Articles, including the following :

(i) Register of Investment made by the Company but not held in its own name, as required by Section 49(7) of the Act and shall keep it open for inspection by any member or debenture holder of the Company without charge.

(ii) Register of Mortgages and Charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 134 of the Act and shall keep open for inspection of any creditor or member of the Company without fee and for inspection by any person on payment of a fee of Rupee one for each inspection.

(iii) Register and Index of Members as required by Section 150 and 151 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of Rupee One of each inspection.

(iv) Register and Index of Debenture Holders under Section 152 of the Act and keep it open for inspection by any member or debenture holder without fee and by any other person on payment of Rupee one for each inspection.

(v) Foreign Register if thought fit as required by Section 157 of the Act and it shall be open for inspection and may be closed and extracts may be taken therefrom and copies thereof as may be required, in the manner mutatis mutandis, as is applicable to the Principal Register.

(vi) Register of Contracts, and Companies and firms in which Directors are interested, as required, by Section 301 of the Act and shall keep it open for inspection of any member free of charge.

(vii) Register of Directors, and secretary etc., as required by Section 303 of the Act and shall keep it open for inspection by any member of the Company without charge and of any other person on payment of a fee of Rupee One for each inspection.

(viii) Register as to holdings by Directors of shares and/or debentures in the Company as required by Section 307 of the Act and shall keep it open for inspection by any member or debenture holder of the Company on any working day during the period beginning fourteen days before the date of the Company's Annual General Meeting and ending three days after the date of its conclusion.

(ix) Register of Investments made by the Company in shares and debentures of the bodies corporate as required by Section 372 of the Act.

(x) Books recording minutes of all proceedings of General Meeting, and of all proceedings at meetings of its Board of Directors or of Committees of the Board in accordance with the provisions of Section 193 of the Act.

(xi) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.

(xii) Register of loans as required by Section 370 of the Act.

233. **Inspection of Registers**

The Registers mentioned in clauses (ix) and (xii) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company, as provided for in clause (iii) of the said Article. Copies of entries in the Registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on payment of thirty-seven Paise for every hundred words or fractional part thereof required to be copied. The Company shall give inspection of the above Registers to the persons entitled to the same on such days and during such business hours as may consistently with the provisions of the Act in that behalf be determined by the Company in General Meeting.

## WINDING UP

234. **Distribution of Assets**

(a) 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 less than sufficient 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 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 the excess shall be distributed amongst the members in proportion to the Capital at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.

(b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

235. **Distribution in Specie or Kind**

Subject to the provisions of the Act,

(a) if the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.

(b) 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 or any contributory who would be prejudiced thereby shall have the right; if any to dissent and ancilliary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

(c) In case any shares to be divided as aforesaid involves 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.

236. **Rights of Shareholders in Case of Sale**

Subject to the provisions of the Act, a special resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any shares

or other consideration receivable by the Liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.

## SECRECY CLAUSE

237. **Secrecy Clause**

(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Director, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters thereto, and shall be such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No Member or other person (not being a Director) shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading, or any matter which may relate to the conduct of the business of the company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

## INDEMNITY AND RESPONSIBILITY

238. **Directors and Others Right to Indemnity**

(a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Wholetime Director, Manager, Secretary and other Officer or employee of the company shall be indemnified by the Company against, and it shall be the duty of the Directors, out of the funds of the Company, to pay all costs, losses and expenses (including travelling expenses) which such Director, Manager, Secretary and 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, Manager, Secretary, Officer or servant or in any way in the discharge of his duties including expenses 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.

(b) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other Officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

239. **Directors and Other Officers not Responsible for the Acts of Others**
Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Wholetime 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 conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies 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, within whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

## SOCIAL OBJECTIVE

240. **Social Objective**
The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

## GENERAL POWERS

241. **General Powers**
Notwithstanding anything contained in any of these Articles, so long as GIIC/Government of Gujarat and its nominees hold not less than 26% in the Equity Share Capital of the Company, the Government of Gujarat may from time to time issue such directives or instructions as may be considered necessary in regard to finance (including apporval of capital budget and annual plans etc.) conduct of business and affairs of the Company (including constitution of the Board of Directors of the Company) or in matters involving national security or substantial public interest and in like manner annul any such directives or instructions.

All the Directors shall duly comply with and give immediate effect to such directives or instructions of the Government.

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

| Name & Signature of Subscribers | Address, occupation & Description of Subscribers | No. of Equity Shares taken by each Subscriber | Name, Description & Signature of witnesses |
|---|---|---|---|
| **K S Sugathan** | S/o K C Sankarakuthy<br>Deputy Secretary<br>Industries, Mines & Power Dept.<br>**Gandhinagar**<br>Govt. Service | 1<br>(One) | |
| **Tarunbhai B Shah** | S/o Babulal N Shah<br>6, Venudhar Society<br>Gulbai Tekra<br>**Ahmedabad 380 015**<br>Service | 1<br>(One) | |
| **Harshad C Shah** | S/o Chimanlal K Shah<br>69, Sharda Society<br>Ahmedabad<br>Service | 1<br>(One) | I remain witness to all the Signatories |
| **Rameshchandra N Shah** | S/o Nathalal N Shah<br>5, Bhuleshwar Park<br>B/h. Navdeep Co-op. Bank<br>Vasna,<br>**Ahmedabad 380 007**<br>Service | 1<br>(One) | **Jayendra G Parikh**<br>41, Mahavirnagar Society<br>Vastrapur<br>**Ahmedabad 380 015**<br><br>S/o Govindlal Parikh |
| **Piyushchandra R Vyas** | S/o Ramchandra M Vyas<br>29/B, Vasuki Society<br>Vasana<br>**Ahmedabad 380 007**<br>Service | 1<br>(One) | |
| **Mayur S Panchal** | S/o Somabhai S Panchal<br>292, Madan Gopal's Haveli<br>**Ahmedabad 380 001**<br>Service | 1<br>(One) | |
| **Padmanabh P Vora** | S/o Pundrikray Vora<br>18, Chaitanya<br>SBI Officer's Society<br>Vastrapur<br>**Ahmedabad 380 015**<br>Service | 1<br>(One) | |
| | | 7<br>(Seven) | |

**Dated the 1st day of July, 1983**

**CERTIFIED TRUE COPY**
**For, Gujarat Lease Financing Ltd.**

Authorised Signatory