

**MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION
OF
SANTOSH FINE-FAB LIMITED
(FORMALY KNOWN AS
HIMALAYA SILK MILLS PVT. LTD.)**

No. 11 25493

**CERTIFICATE OF CHANGE OF NAME
UNDER THE COMPANIES ACT, 1956.**

In the matter of SANTOSH FINE-FAB PRIVATE LIMITED

I do hereby certify that pursuant to the provisions of section 23 of Companies Act, 1956 and the Special Resolution passed by the ^{u/s 31/44} Company / at its ~~XXXXXX~~ Extra-Ordinary General Meeting on the 6TH OCTOBER 1994

FINE-FAB PRIVATE LIMITED " the name of " SANTOSH
has this day been changed to " SANTOSH FINE-FAB LIMITED "

And that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated th's EIGHTEENTH day of OCTOBER
One thousand nine hundred and ninety four.


(S.R.V.V. SATYANARAYANA).
Addl. Registrar of Companies
Maharashtra, Bombay.



सत्यमेव जयते

श.रू.प. आइ. आर.

Form I, R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता.

का. सं.

No. 25443 of

1981.....

मे एतद्द्वारा प्रमाणित करता हू कि आज.....

.....

.....

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that **HIMALAYA SILK MILLS PVT. LTD.**

.....

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

मेरे हस्ताक्षर से आज ता. को दिया गया।

Given under my hand at BOMBAY this SIXTEENTH day of OCTOBER One thousand nine hundred and EIGHTYONE.



(T. S. V. PANDURANGA SARMA)

कम्पनियों का रजिस्ट्रार

Registrar of Companies

No.11- 25443

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
ON CHANGE OF NAME.

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA, BOMBAY.

In the matter of * HIMALAYA SILK MILLS PRIVATE LIMITED

I hereby approve and signify in writing under
Section 21 of the Companies Act, 1956 (Act I of 1956) read
with the Govt. of India, Dept. of Company Affairs,
Notification No. GSR 507B dated the 24th June, 1985 the
change of name of the company,

FROM HIMALAYA SILK MILLS PRIVATE LIMITED

TO SANTOSH FINE-FAB PRIVATE LIMITED

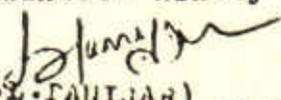
AND I hereby certify that HIMALAYA SILK MILLS PRIVATE LIMITED

which was originally incorporated on SIXTEENTH
day of OCTOBER 1981 under the COMPANIES Act, 1956 and
under the name HIMALAYA SILK MILLS PRIVATE LIMITED

having duly passed the necessary resolution in terms of
Section 21, ~~xxxxxxx~~ of the Companies Act, 1956 the
name of the said company is this day changed TO

SANTOSH FINE-FAB PRIVATE LIMITED
and this certificate is issued pursuant to section 23(1) of
the said Act.

GIVEN UNDER MY HAND AT BOMBAY THIS TWENTYTHIRD
DAY OF APRIL 1992 (One thousand nine hundred ninety TWO.)


(B.L. PANISAR)
ADDL. REGISTRAR OF COMPANIES,
MAHARASHTRA, BOMBAY.



Here give the name of the company
existing prior to change.
Here give the name of the act(s) under which
company was originally registered and incorporated.

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

SANTOSH FINE-FAB LIMITED

- I. The name of the Company is SANTOSH FINE-FAB LIMITED.
- II. The Registered Office of the Company will be situated in the State of Maharashtra.
- 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 ARE:
 1. To carry on the business of spinners, weavers, manufacturers, ginnerers, processors, packers and balers of cotton, jute, hemp, silk, artificial silk, linen, rayon, nylon, man made synthetics fibres and yarns, staple fibres, wool, waste droppings, and fibrous materials and the cultivation thereof, and the business of weaving or otherwise manufacturing, bleaching, printing, processing and selling yarn, cloth, linen and other goods and fabrics whether textile, felted, netted or looped.
 2. To carry on the business of buying, selling, importing, exporting and dealing in cotton, silk art silk, rayon, man made synthetics fibres, staple fibres wool, hemp and other fibrous materials, yarn, cloth, linen, rayon, and other goods or merchandise made therefrom.
 3. To carry on the business of bleachers, dyers, printers, makers of vitriol, bleaching and dyeing materials and to transact manufacturing or curing and preparing process.

(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:

4. To manufacture, buy, sell, import, export and deal in articles made from any of the above mentioned items.
5. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to matters preliminary and incidental to the formation, promotion and registration of the Company.
6. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to all matters, preliminary and incidental to the formation and registration of any Company which may be promoted by this Company.
7. Subject to the provision of the Companies Act, 1956, to place to reserve or to distribute as bonus shares amongst the members or otherwise apply as the Company may from time to time think fit any moneys belonging to the Company including moneys received by way of premium on share of debentures issued by the Company and money received in respect of dividends accrued on forfeited shares.
8. To borrow or raise money on any terms without security or on security of land building, factories, machinery, tools, bills of exchange, promissory notes, bonds, bills, bill of lading, warrants stocks, shares, debentures, book debts or undertaking of the Company and properties of every description or any one or more of them from Banks, financial institutions, companies and any other person or association of persons Provided that the Company shall not carry on banking business as defined in the Banking Regulations Act, 1949 and subject to provision of Sec. 58-A and R.B.I. Directives.
9. To lend money to such persons or Companies on such terms as may seem expedient and in particular to customers and others dealing with the Company and to guarantee the performance of contracts by such persons or Companies.
10. To give guarantee for the performance or discharge of any obligations, liabilities or duties of or the payment of money by any person firms or Companies or Government or State and to give indemnities of all kinds.
11. To invest and deal with money of the Company, not immediately required, in such manner as may from time to time determined.

12. To create, execute, grant or issue any mortgages, debentures, stock or bonds, wither at par, premium or discount and either redeemable or irredeemable, secured upon all or any part of the undertaking, rights and properties of the Company present and future, including uncalled capital or the unpaid calls of this Company.
13. To amalgamate with any other Company or Companies having objects altogether or in part similar to this Company.
14. To promote and avil in promoting, constitute, form, organise companies, or partnerships of all kinds for the purpose of acquire and undertaking any property and liabilities of the Company of advancing directly or indirectly objects thereof or for any purpose which this company may think expedient.
15. To enter into partnership or any other arrangements for sharing profits or losses, co-operation, joint ventures, reciprocal concessions, licence or otherwise with any person, firm association, society or body corporate carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorised to carry on or engage in so as directly or indirectly to benefit the Company and to give any special right, licences and privileges and in particular, the right to nominate one or more person or person, wether they be shareholder or not to be directors of the Company.
16. To subscribe or guarantee money for charitable or benevolent objects or for exhibition or for any public, objects and to make donations to such persons and in such case as the Company may think conducive to the attainment of any of the objects or as is otherwise expedient.
17. To contribute to the funds of association or to any individual, or body corporate which in the opinion of the Company is beneficial to the Company.
18. To contribute to charitable and other funds, whether, directly or indirectly relating to the business of the Company or not, for the welfare of employees.
19. To engage, employ, suspend and dismiss agents, managers, superintendents, assistants, clerks, coolies and other servants and labourers and to remunerate suchpersons at such rate as shall be though fit.
20. To establish Provident Funds for the benefit of the Company's employees upon the basis of joint

contribution by the employees and the Company respectively or otherwise and to grant pensions, allowances, gratuities and bonuses to such employees or connections of such person.

21. To purchase or take on lease or in exchange or otherwise acquire any movable properties, flats and any rights or privileges which the Company may think necessary or expedient for the purposes of the business and in particular any land, buildings, works and easements, and on such terms as may be deemed useful.
22. To sell or dispose off the undertaking, property and rights of the Company or any part thereof for consideration and on such consideration and on such terms and conditions as the company may think fit and in particular for shares, stock, debentures or securities of any other company having objects altogether or in part similar to those of this Company.
23. To sell or sub-let any concessions or licences obtained or contracts entered into the generally to sell the whole or any part of the property and business of the Company for cash or for shares or obligation of any person or persons.
24. To improve manage, cultivate develop, exchange, let on lease, mortgage, sell, dispose of, turn to account, grant rights and privileges in respect of or otherwise deal with all or part of the properties and rights of the Company.
25. To enter into any arrangement, with any State or Union Government or authorities Supreme, Municipal, Local or otherwise, that seems conducive to the Company's object or any of them and to obtain from any such Government or Authority all rights, concessions, and privileges which this Company may think desirable to obtain and carry out or exercise and to comply with any such arrangement, rights, privileges and concessions.
26. To draw, make, accept, endorse, discount, execute and issue bill of lading, railway receipts, transport stamps, and other documents as to goods, warrants, debentures and other negotiable or non-negotiable or transferable instruments or securities and to open, operate on or close banking accounts over and draft account and other accounts of any kind or any kind or nature whatsoever.
27. To insure all or any of the properties, assets or obligation of the Company of whatever nature against any risk whatsoever.

28. To undertake and execute any trust, the undertaking whereof may be desirable or convenient or advantageous to the Company and either gratuitously or otherwise.
29. To create any Depreciation Fund, Reserve Fund, Insurance Fund, Equalisation of Dividend Fund, or any other special fund whether for depreciation, for repairing, improving, extending or maintaining any of the properties and/or business of this Company or for any other purposes conducive to the interests of this Company.
30. To establish and maintain local registers, agencies and branches places of business, and carry on business in any part of the world.
31. To carry on any scientific research or other research which may be of benefit to the Company, to establish, conduct and carry on any educational or other institutions and research or such other activities for the establishment of above objects.
32. To invest the capital and other monies of the Company in the purchase or upon the security of and to hold, sell, under-write and deal with shares, stocks, debentures-stocks, bonds, mortgages obligations and securities of any kinds issued or guaranteed by any company, corporation or undertaking (whether incorporated or not) of whatever nature and wheresoever, constituted or carrying on business and shares, stocks, debentures, debenture-stock, bonds mortgages, obligations and other securities of any kind issued or guaranteed by any Government, State, Commissioners, Trusts, Municipal Local or other Authority or body of whatever nature whether at home or abroad.
33. To acquire any such shares, stocks, debentures, debenture-stocks, bonds, mortgages, obligations and other securities by original subscription, tender, syndicate, participation, purchase, exchange or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof.
34. To open retail stores for selling the goods manufactured by the company and similar goods of other manufacturees which the Company may purchase and deal in, as principals or as agents distributors or as commission agents.
35. To adopt such means of making known, publishing and advertising any of the business, and services of the Company as may seem expedient and,

without prejudice to the said generally and in particular, by advertising in the press, by circulars, by purchase or acquisition or otherwise by an exhibition of works of art of interest, by publication of books of their literature and by granting prizes, rewards and donations.

36. To act, principals, agents, sub-agents, trustees, contractors, sub-contractors, or otherwise, and either by or through agents, sub-agents, sub-contractors, trustees or otherwise, and either alone or in conjunction with any person, firm, company or body corporate.
37. To pay for rights or property acquired by the Company and to remunerate any person or company whether by cash or by the allotment of shares, debentures or other securities of the Company credited as paid upon in full or in part or otherwise.
38. To do things as may be incidental or the Company may think to be conducive to the attainment of the above object or any of them.
39. To manufacture, buy, sell import, export and deal in chemicals, chemical compounds, chemical products, acids, alkalis, petrochemicals, tannin, tannin extracts, essences, solvents, plastics of all types, dyes, dyestuff, intermediates, paints, varnishes, disinfectants, insecticides, fungicides, deodorants, bio-chemical and sizing, bleaching and photographic material in connection with the main business.

(C) OTHER OBJECTS :

40. To acquire by purchase, exchange, lease concession, licenses or otherwise either absolutely or conditionally or either solely or jointly with others, be interested in, construct, develop establish, erect, maintain, carryout, improve, work, alter, control and manage, works, factories workshops, mills, warehouses, buildings, lands, houses, roads, streets, sewers, gas works, water works, saw mills, iron works, metal works, brick kilns, industrial plants, stock in trade, flat, shops, vehicles, and other property, rights, privileges, erection works and things of any description whatsoever either upon lands acquired by the Company or otherwise and generally to alter and improve and otherwise turn to account the said property or parts thereof and to lend and advance money to and enter into contracts and agreements of all kinds with builders, suppliers, furnishers, merchants, tenants and other.
41. To carry on the business of manufacturing distilling, compounding, acquiring, buying, selling, importing,

exporting and dealing in all manners whatsoever in organic and inorganic chemical, formulations derivatives and compounds thereof and in particulars. Resorcinol Vinyl pyrrolidone, Poly Vinyl Pyrrolidone, Synthetic Wax Emulsion, Acetylated Glycerols, Thigolycollic acid and its salt, cholotophyl and its salts and other branded preparation and compounds, derivatives and formulation thereof and consumer products based thereon, pharmaceutical specialities, surgical specialities, cosmetics Industrial Chemical compounds, Bacteriocides, Germicides, Detergenet, including Alkyl, Arul, Sulphonates, Loral Sulphate, Amides of long chain and acids and similar substances and products together with valves, spouts and devices for dispensing pressurised formulation and similar goods.

42. To carry on the business of manufacturing, distilling compounding, acquiring, buying, selling, importing, exporting and dealing in all manners whatsoever, in surgical supplies, pharmaceutical supplies Industrial adhesives, disinfectants, spray, cosmetics and all other similar products, perfumes and essences, soaps, salves, ointment, powder, toilet preparations and similar articles, gases, drugs, medicines, plaster of Paris, gypsum, plasters, fertilizers, acids, food stuff oils, icing glass, colours glues, gums, pigments, varnishes, compositions, dyes, brushes, toilet requisites perfumes, proprietary articles, laboratory reagents and chemicals, photographic, electrical, laboratory and scientific furniture, equipment, apparatus and materials.
43. To carry on business of manufactures and wholesale and retail chemist, druggists, and herbalists and perfumers, sundriesman, plant and materials, laboratory properties, charcoal manufacturer, meteorologists, engineers and metal and wood workers, printers, publishers, book sellers, library proprietors, watchmen and dealers, goldsmiths and silversmiths, electroplaters, fancy goods dealers, grocery and provision dealers and general storekeepers, and as manufactures and dealers in bottles, containers, packing materials, bottle caps, glass, chinwares, pottery, earth-ware, gold and silver and plated things, metal goods hand bags leather goods and fancy goods and similar articles.
44. To carry on the business as manufacturers and repairers of and dealers in automotive ring gears and pinion sets, transmission gears and complete differentials and transmission, components thereof and all parts and equipments accessory thereto and all other materials, equipments, apparatus and stores used therewith or in relation thereto.
45. To carry on business as manufacturers and repairers, of and dealers in motor cars, lorries, bicycles,

minibuses, coaches, caravans, ambulances, motor cycles, and side cars motor bicycles, tricycles, fans, wagons and ehicles of all kinds, airplanes, seaplanes, flying boats, airships, and other aircrafts, motor boats, motor ship and vessels and accessories of all kinds, and carriages, truck and vehicles.

46. To design, manufacture, assemble, repair, contract for, buy, sell, let out on hire and generally deal in automobiles of all types and all other motors and engines, agricultural, tractors, and implements and other machinery, boats, magnetos plants planes, propellers, air, steam, gas, water and other gauges, indicators, governors, injectors high and low pressure and other valves, wheels carburettors, sparking plugs, clutches, cocks, unions, chucks, stocks, dies, springs, ramps screw pistons, chain stay rods, wires, fans forges, bolts, nuts, washers, studs, drill-pins, revets, hinges, nails, spikes, variable and other gears buffers, stops, metal, timber, canes, asbestos canvas, and other fabrics, linen radiators, pulleys, belts and belt fastners, canopies, hoods, wind and other screens and shields pumps, lamps, bulbs, glass, mirrors, bumpers numberplates, borns, batteries, radiators, mascots, luggage carriers, sub-parts, picnic cases, tools, silencers, petrol tanks, chassis, mats and rugerims, spoke, cranks, cases and gear boxes, commodities wares, petrol and other fuel, accessories, appliances and tools of every description, whether for use in connection with automobiles, aeronautics, shipping, munition of war, engineering or otherwise howsoever, and all kinds of straight, bent, woven, fortified screwed and other wire work, and all other allied goods, materials, utensils, compounds and accessories or requirement.
47. To carry on business as ironmasters, iron founders, ironworkers, steel-makers, blast furnace proprietors, brass-founders, and metal makers, refuners and workers generally ship-builders and ship-wright, dock and wharf proprietors, colliery proprietore importers, and workers, and blast workers oil fuel engineers, constructional engineers, marine engineers, civil engineers, consulting engineers, ill-wrights, wheelwrights, cement and asbestos manufacturers, wood workers, manufacturing chemist quarry owners, briks and tile manufacturers, galvanizers machinists, japanners, annealers, welders electro and chromium storage contracts and oil merchants and contractors generally.
48. To carry on the business of consulting and contracting engineers, desiners, contractors and manufacturers of industrial airconditioning plants and equipments and to carry on the business of consulting engineers, mechanical engineers, and manufacturers of machinery, tool makers, metal workers, machinists, iron and steel converters, smiths, wood workers,

builders, painters, metallurgists, electrical engineers water-supply engineers, gas makers, farmers, printers, carriers and merchant and to buy, sell, manufacture, repairs, convert, alter, let on hire, and deal in machinery, implements, rolling stock, and hardware of all kinds.

49. To carry on business as importers, exporters, buyers, and sellers of and merchants and dealers in and manufacturers of merchandise, goods, materials and machinery of all kinds, spare parts accessories and equipments, jewellery, ornaments bullion, precious and semiprecious stones.
50. To carry on the business of printers, engravers, designers, publishers, book and print sellers, bookbinders, and art journalist in all their branches the business of manufacturers and distributors, of and dealers in engravings, prints, pictures, drawings and any written, engraved, printed or printed productions, in all their branches.
51. To manufacture buy, sell and deal in mineral waters, wines, cordials, liquors, soups broths and other restoratives or foods especially those suitable of deemed to be suitable for infants, invalids and convalescents, and also to deal in medicinal goods such as surgical instruments, contraceptives, oils, perfumes, cosmetics, patent medicines, soaps, artificial eyes, hospital requisites, vaccines, biologicals proprietary medicines, veterinary medicines tinctures extracts.
52. To carry on the business of vialling, bottling, repacking processing of capsules, syrups, tablets and ointments.
53. To carry on the business of manufacturers and dealers in insecticides, pesticides, repellent fertilisers and all kinds of agricultural chemicals and to carry on the said business in all their branches and/or to undertake spraying of such chemicals through manual mechanical and/or aerial operations alone or in association with other agencies and/or companies.
54. To carry on business as importers, exporters, buyers, and sellers of and merchants and dealers in and manufacturers of merchandise, goods materials, and machinery of all kinds, spare parts, accessories and equipments, jewellery, ornaments, bullion Precious and semi precious stones.
55. To make advance upon, hold in trust, issue on commission, sell or dispose of any of the investments aforesaid.

AND IT IS HEREBY DECLARE THAT:

- (i) The object 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 set forth 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 provision of the Companies act, 1956, the object set forth in any clause of sub paragraph (c) above shall be independent and shall be in no way limited or restricted by reference to or inference from the terms 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).
- (v) Nothing in this paragraph shall authorise the Company to do any business which may fall within purview of the Banking Regulation Act, 1949, or the Insurance Act, 1938.

IV. The liability of the members is limited.

V. The Authorised Share Capital of the company is Rs. 3,50,00,000/- (Rupees Three Crores Fifty Lacs only) divided into 35,00,000 (Thirty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each.

- (a) Any Shares of the original or increased capital may from time to time be issued guaranteed or any right of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantage over any share previously issued or then about to be issued or with deferred or qualified rights as compared with any shares previously issued or subject to any provisions or condition and with any special rights or limited rights or without any right of voting and generally on such terms as the Company may from time to time determine.

- (b) The rights of the holders of any class of shares, for the time being forming part of the capital of the company, may be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at separate meeting of the holders of the issued shares of that class.

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

Name, Address, Occupation & Description of Subscribers	No. of Equity Shares taken by each Subscriber	Signature of Subscribers	Signature of witness his name, address, description and Occupation
1. Ram Niranjn Rchhpal Tibrewala S/o Richhpal Tibrewala 6, J. B. Nagar, Andheri Kurla Road, Bombay 400 059. (Business man)	10 (Ten) Equity	Sd/-	.
2. Sureshchand Kedia S/o Shri Gajanand Kedia 3/7, J. B. Nagar, Andheri (East), Bombay 400 059. (Business man)	10 (Ten)	Sd/-	Sd/- S. K. Bhuwania Shrawan Kumar Bhuwania S/o Mahadeolal Bhuwania Chartered Accountant 557/52, J. S. Seth Road, 3rd Floor, Bombay 400 002.
3. Shardadevi Kedia W/o Kishorilal Kedia J. B. Nagar, Andheri Kurla Road, Bombay 400 059. (Business man)	10 (Ten)	Sd/-	
4. Prehaladral Poddar S/o Mohanlal Poddar 51, Mangalkarini Co-op. Society, 17th Road Sidharth Nagar, Goregaon (W), Bombay 400 062. (Business man)	10	Sd/-	
TOTAL	40 (Forty)		

Dated this 16th day of September 1981.

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
SANTOSH FINE-FAB LIMITED

1. The regulations contained in Table 'A' in the First Schedule to the Companies Act, 1956, shall not apply to Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reerence to the repeal or alterations of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956 be such as are contained in these Articles.

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

- i) "The Company" or "this Company" means SANTOSH FINE- FAB LIMITED.
- ii) "The Act" means "The Companies Act, 1956" as amended from time to time or any statutory modification or re-enactment thereof for the time being in force.
- iii) "Auditors" means and includes those persons appointed as such for the time being of the Company
- iv) "Board" means a meeting of the Directors duly called and constituted, or, as the case may be, the Directors assembled at a Board or acting by circular under these Articles or the Directors of the Company collectively.
- v) "Capital" means the capital for the time being raised for authorised to the raised, for the purpose of the Company.
- vi) "Dividend" includes Bonus.
- vii) "In writing" or "written" include words printed, lithographed, typewritten, represented or reproduced in any mode in visible form.

- viii) "Members" means the duly registered holders, from time to time, of the shares of the Company and includes the subscribers of the Memorandum of Association.
- ix) "Month" means Calendar month.
- x) "Office" means the Registered Office for the time being of the Company.
- xi) "Proxy" means an instrument whereby any person is authorised to vote for a Member at a General Meeting on a poll.
- xii) "The Register" means the Register of Members to the kept pursuant to the Act.
- xiii) "Seal" means the Common Seals for the time being of the Company.
- xiv) "Special Resolution" and "Ordinary Resolution" have the meanings assigned thereto respectively by Section 189 of the Act;
- xv) "The presents" means these Articles of Association as originally framed or as altered from time to time and includes the Memorandum where the context so requires;
- xvi) Words importing the masculine gender also include the feminine gender.
- xvii) Subject as aforesaid any words or expression defined in the act shall except where the subject or context forbids bear the same meaning in these Articles.

3. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be furnished by the Company to every member at his request, within seven days of the request, on payment of the sum of Rupee One for each copy of such other amount as may be prescribed by the Act.

SHARE CAPITAL

4. The Authorised Share Capital of the Company is as laid down in Clause V of Memorandum of Association of the Company.

5. (a) The Company in general meeting may, from time to time by ordinary resolution increase the capital

by the creation of new shares, such increase to be of such aggregate amount and of such classes & to be divided into shares of such respective amounts as the resolution shall prescribe.

(b) Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Company in general meeting shall prescribe, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

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

7. Subject to the provisions of Section 80 of the Act any such new shares may be issued as preference shares which are or at the option of the Company are to be liable to be redeemed, and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption subject however to the following conditions:

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

(b) no such shares shall be redeemed unless they are fully paid up.

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

(d) 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 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 Capitals 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.

(e) subject to the provisions of section 80 of the Act, the redemption of preference share here under may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf in such manner as the Directors determine.

(f) Whenever the Company shall redeem any Redeemable Preference Shares, the Company shall, within one month thereafter, give notice thereof to the Register of Companies as required by Section 95 of the Act.

8. Subject to the provisions of Section 78, 80 and 100 to 105 of the Act, the Company may from time to time, by Special Resolution reduce its capital in any manner or the time being authorised by law, and in particular, capital may be paid of on the footing that it may be called up again or otherwise. The Article is not to derogate from any power the Company would have it if were omitted.

9. Subject to the provisions of Section 94 of the Act the Company in general meeting may from time to time;

(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

(ii) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination.

(iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, 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.

(iv) cancel shares which at the date of the passing of the resolution in that behalf, 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.

MODIFICATION OF CLASS RIGHTS

10. 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 privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, and whether or not the

Company is being wound up, be varied modified abrogated or dealt with, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions contained in these Articles as to general meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly prohibited by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

SHARES

12. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no share shall be subdivided.

13. (a) Where at any time it is proposed to increase the subscribed capital of the Company by the issue of further new shares, then subject to the provisions of Section 81 of the Act or other applicable provisions (if any) of the Act, such further new shares shall be offered to the persons who at the date of the offer are holders of the equity shares in the Company, in proportion, as nearly as circumstances admit to the capital paid up on those shares at the date; and such offer shall be made by a notice specifying the number of shares offered and limiting the time not being less than 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. The offer aforesaid shall 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 acceptable to the Board of Directors. After the expiry of the time specified in the 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 of Directors may dispose of them in such manner as they think most beneficial to the company. Option or right to Call or Shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

(b) Notwithstanding anything contained in Clause (a) hereinabove further new shares aforesaid may be offered to any persons, (whether or not these persons include the persons who, at the date of the offer, are holders of the equity shares of the Company) in any manner whatsoever:

(i) If a Special Resolution to that effect is passed by the Company in general meeting; or.

(ii) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on pool, as the case may be) in favour of the proposal contained in the Resolution moved at the general meeting sanctioning the issue of such shares (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 proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in that behalf that the proposal is most beneficial to the Company.

(iii) Notwithstanding anything contained in 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 attracted to the Debenture issue or loans raised by the Company to convert such Debentures or loans into shares, or to subscribe for shares in the Company.

14. In addition to and without derogation from the powers conferred on the Board under Article 13(a) and (b) above the Company in general meeting may by a Special Resolution determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether member or not) in such proportion and on such terms and conditions and (subject to compliance with the provisions of Section 78 and 79 of the Act) either at a premium or at par or at a discount, as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par or at discount (subject to compliance with the provisions of Sections 78 and 79 of the Act, in either case) such option being exercisable at such time and for such consideration as may be directed by such general meeting; or the Company in general meeting may make other provisions whatsoever for the issue, allotment of disposals of any shares.

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

16. The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them,

require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

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

SHARE CERTIFICATE

18. (a) A certificate with Common Seal of the Company specifying any shares held by any Member shall be prima facie evidence of the title of the Member to such shares.

(b) The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) Two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney; and (ii) the Secretary or some other persons - appointed by the Board for the purpose; provided that if the composition of the Board permits of it a least one of the aforesaid two Directors shall be a person other than a Managing Director or Wholetime Director. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography.

PROVIDED ALWAYS that notwithstanding anything contained in this Articles the certificates of tile to shares may be executed and issued in accordance with such other provision of the Act or the Rules made thereunder as may be in force for the time being and from time to time.

19 (a) Every member or allottee of Shares shall be entitled without payment to one certificate for all the shares registered in his name. Every certificate of shares shall specify the denoting numbers of the shares in respect of which it is issued and the amount paid up thereon. For every further certificate the Board of Directors shall be entitled but shall not be bound to prescribed a charge not exceeding one rupee.

(b) The Company shall comply with the provisions of Section 113 of the Act regarding limitation of time for issue of certificates.

20. The Company may issue such fractional certificate as the Board of Directors may approve in respect of any of the shares of the Company on such terms as the Board of Directors think fit as to the period within which the fractional certificates are to be converted into share certificate.

21. If any certificates be old, discrepant, worn-out defaced, torn or be otherwise mutilated or rendered useless for any reason whatsoever or there is no further space on the back thereof for endorsements or transfer; then, upon production thereof to the Board of Directors, they may order the same to be cancelled and issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Board of Directors and on such indemnity as the Board of Directors deem adequate being given and upon such advertisement being published and on such other terms and conditions as the Board of Directors may require, a new certificates in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Such sum not exceeding rupee one as the Board of Directors may from time to time prescribe shall be paid to the Company for every certificate issued under this clauses. Provided that no fee shall be charged for issue of new certificates on subdivision or consolidation of share certificates into lots of market units of trading in replacement of those which are old, discrepant or worn-out of where the pages on the reverse for recording transfers have been fully utilised.

22. If any share stands in the name of two or more persons, the person first named in the Register shall as regards receipt of dividends or cash bonus, or service of notices or any other matter connected with the Company except voting at meeting and the transfer of the shares, be deemed the sole holder thereof but the jointholders 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 and for all incidents thereof accordingly to the Company's regulations.

23. The certificate of shares registered in the name of two or more persons shall be delivered to the persons first named in the Register.

24. (a) Notwithstanding anything contained in Section 153 of the Act, any person whose name is entered in the Register of Members of the Company as the holder of the share in the Company, but does not hold the beneficial interest in such share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person who holds the beneficial interest in such share.

(b) Where any declaration is made to the Company, as aforementioned the Company shall make a note of such

declaration, in its register of members and shall file, within thirty days from the date of receipt of the declaration by it a return to the prescribed form with the Registrar with regard to such declaration.

(c) Save as herein, or in the Act otherwise provided the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly, shall not except as ordered by a Court of competent jurisdiction or by statute or the Act required, be bound to recognise any equitable beneficial or other claim to or interest in such share on the part of any other person.

25. No member who shall change his name or who, being a female, shall marry, shall be entitled to recover any dividend or to vote in the name other than the one registered with the company, until notice of the change of name or of marriage, respectively, is given to the Company in order that the same be registered after production of satisfactory evidence.

26. Save as otherwise provided by Section 77 of the Act, the funds of the Company shall be applied in the purchase of or in lending on security of any share of the Company.

UNDERWRITING AND BROKERAGE

27. (a) Subject to the provisions of Section 76 of the Act of the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolute or conditionally) for any shares of debentures in the Company, such commission shall not exceed 5% on the nominal value of the share or 2.5% on the nominal value of debentures in each subscribe or to be subscribed.

(b) The Company may also, on any issue of shares or debentures pay such brokerage as may be lawful.

INTEREST OUT OF CAPITAL

28. Where any shares are issued for purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant, which cannot be made profitable for a lengthy period of Company;

(a) may pay interest on so much of that share capital and is for the time being paid up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act; and

(b) may charge the same to the capital as part of the cost of construction of the work or building or the provision of the plant.

29. The Board of Directors may, from time to time by a Resolution passed at a meeting of the Board (and not by circular resolution) make such calls as may think fit upon the members in respect of all money unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board. A call may be made payable by instalments.

30. Not less than fifteen days notice of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such calls shall be paid; provided that before the time for payment of such call the Board of Directors may by notice in writing to the members, revoke the same or extend the time for payment thereof.

31. If by the terms of issue of any shares or otherwise any amount is made payable at any fixed time or by instalment at fixed time (whether on account of the amount of the share capital or by ways of premium) every such amount or instalment shall be payable as if it were a call duly made by the Board of Directors and of such due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to.

32. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors.

33. If the sum payment in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the shares in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of nine per cent per annum from the date appointed for the payment thereof to the time of the actual payment, or at such other rate as the Board of Directors may from time to time determine. The Board of Directors may however in their absolute discretion forego payment of any interest wherein their opinion the circumstances so justify.

34. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears enter on the Register of Members of the Company as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given

to the member or his representative sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

35. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his 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 hereinafter provided.

36. The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of their respective shares beyond the sums actually thereof, from time to time and at any time thereafter, as exceeds the called up; and upon the moneys so paid in advance or upon so much amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board of Directors may pay or allow interest, at such rate as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may at their absolute discretion repay at any time any amount so advanced or may at any time repay the same upon giving to the member notice in writing, of not less than three months. PROVIDED that moneys paid in advance of calls or any shares may carry interest but shall not confer a right to dividend or to participate in profits.

FORFEITURE AND LIEN

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

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

39. If the requisitions of any such notice as aforesaid are not complied with, any shares in respect of which such

notice has been given may, at any time thereafter and before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

40. When any share shall have been so forfeited notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register.

41. Any share so forfeited, shall be deemed to be property of the Company, and may be sold, reallocated or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board of Directors may think fit.

42. The Board of Directors may, at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of annual the forfeiture thereof upon such conditions as it think fit.

43. Any member whose share shall have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding 9 per cent per annum or such other rate as the Board of Directors may determine, and the Board of Directors may enforce the payment thereof, or any part thereof, if it thinks fit.

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

(b) A declaration in writing that the declarant is a Director or Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

45. (a) The Company shall have a first and paramount lien on every share other than fully paid-up shares for all moneys whether presently payable or not payable at a fixed time respect of such shares PROVIDED THAT the Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article.

(b) Any lien on shares shall extend to all dividends from time to time declared in respect of each shares.

(c) Unless otherwise agreed, the registration of a transfer or shares shall operate as a waiver of the Company's lien, if any, on such shares.

46. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit; but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served as provided for service of documents in these Articles, on such members, his heirs, executors or administrators and default shall have been made by him or them in the payment, fulfilment, or discharge of such debts, liabilities, or engagements for seven days after such notice. To give effect to any such sale, the Board may authorise some person to execute an instrument of transfer in respect of the shares sold and to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale aforesaid the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the Purchaser or Purchasers concerned.

47. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards satisfaction of the debts, liabilities, or engagements of such member and the residue (if any) or the short fall (if any) shall be paid to or recovered from him, his heirs, executors, administrators or assignees as the case may be.

48. (a) Upon any sale after forfeiture or the enforcing a lien in purported exercise of the powers hereinabove given, the Board of Directors may cause the Purchaser's name to be entered in the Register in respect of the shares sold, and the Purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale and of the entry in the Register in respect of the shares sold shall not be impeached by any person, and the remedy (if any) of any person aggrieved by the sale be in damages only and against the Company exclusive.

(b) Upon any sale, re-allotment or other disposal under the provisions of the proceedings Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand on by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect where any shares under the powers

in that behalf herein contained are sold by the Board of Directors and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board of Directors may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered up.

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

TRANSFER AND TRANSMISSION OF SHARES

50. The Company shall keep a book, to be called "Register of Transfer", and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of shares.

51. No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company in the prescribed form and in accordance with the provisions of Section 108 of the Act. Every such instrument of transfer shall be duly stamped and executed both by the transferor and the transferee and attested. The transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register in respect thereof.

52. (a) Subject to the provisions of Section 111 of the Act the Board of Directors may at any time in their absolute and uncontrolled discretion and without assigning any reason decline to register any proposed transfer of shares. This clause shall apply notwithstanding that the proposed transferee may be already be a member. However, registration of 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.

(b) The Board of Directors shall be entitled to decline to register more than three persons as the Joint holders of any shares.

53. If the Board of Directors refuse to register a transfer of any shares, they shall within one month from the date on which the transfer was lodged with the Company send to the transferee and transferor notice of the refusal.

Provided however, that where any instrument of transfer of shares has been delivered to the Company or registration and the transfer of such shares has not been registered, the Company shall:

(a) transfer the dividend in relation to such shares to the special account referred to in Section 203 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 to relation to such shares any offer of rights shares under clause (a) of the sub-section (1) of section 81 and of any issue of fully paid-up bonus shares in pursuance of sub-section (30 of section 205).

55. (a) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the certificate or certificates of the shares to be transferred, and such other evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe.

(b) Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors. But any instrument of transfer which the Board of Directors may decline to register shall, on demand, be returned to the person depositing the same.

56. There shall be paid to the Company, in respect of transfer of transmission of any number of shares to the same party, such sum as shall be determined by the Board of Directors in conformity with the regulations of the Bombay Stock Exchange.

57. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the state in which the Company's Registered Office is situated to close the Register of transfers, the Register of Members and/or the Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as the Board may deem expedient.

58. The executors or administrators of a deceased member shall be the only persons recognised by the Company as having any title to his share except in case of joint holders, in which case the surviving holder or holders or the executors or administrators of the last surviving holders shall be the only persons entitled to the recognised; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him. The Company shall not be bound to recognise such executor or administrator unless he shall have first obtained

Probate or Letters of Administration or other legal representation as the case may be, from a duly Constituted Court in India to grant such Probate or Letters of Administration. Provided nevertheless that in cases, which the Board in its discretion consider to be special cases and in such cases only, it shall be lawful for the Board of Directors to dispense with the production of Probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity publication of notice or otherwise as the Board of Directors may, deem fit.

59. Subject to the provisions of these Articles any person becoming entitled to shares 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 Board of Directors (which the Board 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 the Articles, or of his title, as the Board of Directors think sufficient, be registered as a member in respect of such shares, or may, subject to the regulations as to transfer hereinabove contained, transfer such shares. This clause is hereinafter referred to as "The Transmission Clause".

60. The Board of Directors shall have the same right to refuse to register a person entitled by the transmission to any shares or his nominee, as if he were the transferee named in any ordinary instrument of transfer presented for registration.

61. 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) to the prejudice of a persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book or record of the Company, and the Company shall not be bound or required to regard to 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, notwithstanding that the notice may have been entered in or referred to in some book or record of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.

62. The provision of these Articles shall mutatis mutandis apply to the transfer of or the transmission by operation of law the right to Debentures of the Company.

BORROWING POWERS

63. (a) Subject to the provisions of Sections 58A, 58B, 292 and 293 of the Act, and these Articles, the Board of Directors may from time to time at its discretion by a resolution passed by a Meeting of the Board, accept deposits from the public and may generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for the specific purpose) the Board of Directors shall not borrow such moneys without the consent of the Company in general meeting.

(b) The Company may invite or renew either from the public or from its members deposits upto the limit and in the manner and subject to the rules and conditions prescribed by the Central Government as contemplated by Sections 58A and 58B of the Act.

64. Subject to the provisions of the Act and these Articles the payment or payment of moneys borrowed aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board of Directors may think fit, and in particular, pursuant to a Resolution passed at a meeting of the Board (and not passed by a circular resolution) by the issue of bonds perpetual or redeemable debentures or debentures-stock of the Company, or any mortgage or charge or other security upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

65. Any debentures, debenture stock or other securities may be issued subject to the provisions of the Act at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending general meetings of the Company and the right to appoint Directors and otherwise. Debentures carrying the right of conversion into or allotment of shares shall be issued only with the consent accorded by a resolution of the Company in general meeting.

66. (a) If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board of 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 or, if permitted by Act may, by instrument under the Company's Seal, authorise the person in whose favour such mortgage

or security is executed or any other person in Trust for him, to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to calls, shall, mutatis, mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and other presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

(b) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the shareholders or otherwise, to obtain priority over such prior charge.

67. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company by reason of furnishing any guarantee or otherwise 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 ways of security or indemnity to secure the Directors or persons so becoming liable as aforesaid from and against any loss in respect of such liability arising out of the said guarantee.

GENERAL MEETING

68. The Annual General Meeting shall be held in accordance with Section 166 of the Act and shall be called for a time during business hours, on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town where the Registered Office of the company is situated as the Board of Directors may determine and the notice calling the meeting shall specify it as the Annual General Meeting.

69. Every member of the Company shall be entitled to attend every general meeting either in person or by proxy, and the Auditor of the Company shall have the right to attend and to be heard at any general meeting on any part of the business which concerns him as Auditor.

70. At every Annual General Meeting of the Company there shall be laid on the table the Director's Reports and audited statement of accounts, auditor's report (if not already incorporated in the audited statement of accounts), the proxies lodged and the Register or Director's holdings maintained under Section 307 of the Act. The Auditor's report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

71. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meeting.

72. The Board may, whenever it thinks fit, call an Extra Ordinary General Meeting. If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director may call on Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board at such time and place as he may determine.

73. The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in sub-section (4) of Section 169 of the Act, forthwith proceed duly to call an Extraordinary General Meeting of the Company, and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 169 of the Act and of any statutory modification of re-enactment thereof for the time being shall apply.

74. A General Meeting of the Company may be called by giving not less than 21 days notice in writing. However, a General Meeting be called after giving a shorter notice than 21 days, if consent is accorded thereto:-

- (i) In the case of an Annual General Meeting, by all the members entitled to vote thereat; and
- (ii) in the case of any other meeting, by members of the Company holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives them a right to vote at that meeting.

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

75. Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain a statement of the business to be transacted thereat. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been specially mentioned in the notice or notices upon which it was convened.

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

- (i) the consideration of the accounts, balance sheet and profit and loss account and the reports of the Board of Directors and of the auditors.
- (ii) the declaration of a dividend;

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

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

In the case of the any other meeting 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 regarding each such item of business including in particular, the nature and extent of the interest if any, therein of every Director and the Manager, if any, of the Company.

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 every Director and the Manager, if any, of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than twenty per cent of the paid-up share capital of that other Company.

(c) Where any item of business to be transacted at any general meeting of the Company consists of the according of approval of any document, the time and place where the document can be inspected shall be specified in the statement aforesaid.

77. A document may be served by the Company on any member thereof either personally, or by sending it by post to him registered address, or if he has no registered address in India, to the address if any, within India supplied by him to the Company for the giving of notice to and serving of documents on him. Notice shall be given to the persons entitled to the share in consequence of the death or insolvency of a member, by sending through the post in a pre-paid letter, addressed to them by name or by the title of the representatives of the deceased or Assignees of the insolvent or by any like description, at the address in India, if any, supplied for the purpose by the persons claiming to be so entitled or, unless such an address has been so supplied, by giving the notice in any manner in which it might have been if the death or insolvency had not occurred. Provided that where the notice of a Meeting is given by advertising the same in a newspaper circulating in a neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

78. Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in any manner set out in Article 77 for giving notice to any member or members of the Company.

79. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or their person to whom it should be given shall not invalidate the proceedings at the meeting.

80. Where by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice in respect of the same shall be given to the Company and by the Company as provided in Section 190 of the Act.

PROCEEDINGS OF GENERAL MEETINGS

81. Five members personally present shall be a quorum for a General Meeting. No business shall be transferred at any general meeting unless quorum requisite shall be present at the commencement of the business.

82. The Chairman and in the absence, the Vice Chairman if any, of the Board of Directors shall be entitled to take the chair at every General Meeting. If there be no such Chairman or if at any meeting he or the Vice-Chairman, if any shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be Chairman and in default of their doing so, the members shall present shall choose a Director as Chairman, and if no Director is present or if all the Directors present decline to take the Chair, then the members shall present shall choose one of themselves to be Chairman.

If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of these Articles, the Chairman elected on a show of hands exercising all the powers of the Chairman for the purpose of conducting the poll, under the said provisions. If some other person is elected Chairman as result of the poll, he shall be Chairman for the rest of the meeting.

83. (a) If within half an hour from the time appointed for the meeting of the Company a quorum is not present, the meeting, if convened upon the requisition of members, shall stand dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place as the Board may determine.

(b) If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, those members who are present shall be a quorum and may transact the business for which the meeting was called.

84. Every question submitted to a General Meeting and every resolution in to the vote at a General Meeting unless a poll is demanded as hereinafter provided, be in the first instance decided by a show of hands.

85. A declaration by the Chairman that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the 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.

86. (i) At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of voting on the show of hands) ordered to be taken by the Chairman of the meeting of his own motion, or is ordered to be taken by him on a demand being made in that behalf by any member or members present to person or by proxy and holding shares in the Company:

(a) 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

(b) on which an aggregate sum of not less than rupees fifty thousand has been paid up.

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

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

87. (i) A poll demanded on a question of adjournment shall be taken forthwith.

(ii) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for the Article 82 hereof) shall be taken at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct.

88. The Chairman of a General Meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but not business shall

be transacted at any adjourned meeting other than business left unfinished at the meeting at which the adjournment took place.

89. On a poll taken at a meeting of the Company, a member entitled for more than one vote, or his proxy or other persons entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.

90. (i) 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.

(ii) The Chairman shall have 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 scrutineers arising from such removal or from any other cause.

(iii) 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.

91. (a) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting by show of hands. The Chairman present at the taking of a poll shall be the judge of the validity of every vote tendered at such poll.

(b) (i) Subject to the provisions of the act, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken.

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

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

93. Where a resolution is passed at an adjourned meeting of:

(a) the Company; or

(b) the holders of any class of shares in 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.

94. A copy of each of the following resolutions together with a copy of the statement of material facts annexed under Section 173 to the notice of the meeting in which such resolution has been passed, or agreements shall, be printed or typewritten and duly certified under the signature of an officer of a Company and filed with the Registrar within the time prescribed under the Act.

(a) Special Resolution

(b) resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as Special Resolution:

(c) resolutions of the Board or agreements relating to the appointment, re-appointment or the renewal of the appointment or variations of the term of appointment of a Managing Director;

(d) resolutions or agreements which have been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority and all resolutions or agreements which effectively bind all the members of any class of shareholders though not agreed to by all those members.

(e) resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub-section 1 of Section 484 of the Act;

(f) resolution passed by the Company according consent to the exercise by its Board of Directors of any of the powers under clause (a), clause (d) and clause (e) of sub-section (i) of Section 293 of the Act;

(g) resolution passed by the Company approving the appointments of sole selling agents under Section 294 or 294A of the Act;

(h) copies of the terms and conditions of appointment of a sole selling agent appointed under section 294 or of a sole selling agent other person appointed under Section 294A.

A copy of every resolution which has the effect of altering the Articles of Association of the Company and a copy of every Agreement referred to in the above sub-

clause (a), (d) and (e) shall be embodied in or annexed to every copy of the Articles issued after the passing of the resolution or the making of the agreement.

95. The Company shall cause minutes of the proceedings of every general meeting to be entered in the book kept for the purpose and the minutes shall contain and include the matters specified in Section 193 of the Act.

96. The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any member without charge as provided in Section 196 of the Act and any member shall be furnished with a copy of any minutes in accordance with the terms of that section.

VOTES OF MEMBERS

97. Subject to the provisions of the Act and these Articles votes may be given either personally or by an Attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act.

98. Subject to the provisions of the Act and these Articles upon a show of hand every member entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act and Article (99) or by Attorney shall have one vote.

99. No member not personally present shall be entitled to vote on a show of hand unless such member is present by Attorney or unless such member is a body corporate present by a representative duly authorised under Section 187 of the Act in which case such Attorney or representative may vote on a show of hands as if he were a member of the Company.

100. Any person entitled under the Transmission Clause (Article 59 hereof) to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of Directors or any person authorised by the Board of Directors in that behalf of his right to transfer such shares, unless the Directors shall have previously admitted his right to transfer such shares or his right to vote at such meeting in respect thereof.

101. Where there are joint registered holders of any shares any one of such persons may vote at any meeting

either personally or by Attorney duly authorised under Power of 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 personally present at any meeting then one of the said persons so present whose name stands first or higher on the Register in respect of such share shall alone be entitled to vote in respect thereof.

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

(b) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or, if such appointer is a corporation, under its common seal or the hand of an officer of an attorney duly authorised by it.

103. (a) Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

(b) A member presenting proxy shall be entitled to vote only on a poll.

104. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy thereof shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

105. 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 transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company or by the Chairman of the meeting at which the vote is given.

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

107. Every member entitled to vote at a meeting of the Company according to the provisions of these Articles

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

108. No member shall be entitled to vote at any general meeting either personally or by proxy or as proxy for another member or be reckoned in a quorum while any call or other sum shall be due and payable to the Company in respect of any of the share of such member or in respect of any shares on which the Company has or had exercised any right or lien.

DIRECTORS

109. (a) Unit otherwise determined by a General Meeting, and approved by the Central Government and subject to Section 252 of the Act the number of Directors shall not be less than 3 (three) nor more than Twelve excluding any Debenture Director.

(b) Directors of the Company at present are:

1. SANTOSH R. TULSIYAN
2. SUBHASH R. TULSIYAN
3. ASHOK V. TULSIYAN

110. (a) The Company shall, subject to the provisions of the Act, be entitled to agree with any person; firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the company may deem fit. Such nominee and their successors in office appointed under this Article shall be called Special Directors of the Company.

The Special Directors appointed under this Article shall be entitled to hold office until requested to retire by the Government, Financial Institution, person firm or corporation who may have appointed them and will not be bound to retire by rotation or be subject to Article 125 and 126 of the Articles of Association of the Company. A Special Director shall also not require to hold any qualification shares. As and whenever a Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise, the Government, Financial Institution, person, firm or corporation who appointed such Special Director may appoint any other Director in his place. The Special Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid, a Special Director

shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company.

NOMINEE DIRECTOR

111. (a) 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 (IDBD, Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI). The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation or any Financial Institution owned or controlled by the Central Government or a State Government or by Government or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Articles referred to as "the Corporation") out of any loans/debentures assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole-time (which Director or Directors is/are hereinafter, referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.

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

(c) 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 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 the Guarantee furnished by the Corporation.

(d) The nominee Director/s appointed under this Article shall be entitled to receive all notice of and attend all General/Meeting, 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:

(e) 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, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration 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 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 further that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to Corporation.

Provided also that in the event of the Nominee Director/s being appointed as wholtime 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 wholtime Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Directors.

Provided also that in the event of the Nominee Director/s being appointed as whole as whole time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director

in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission, and moneys as may be approved by the Corporation.

112. (a) Any trust deed for securing Debentures or Debenture-stock of the Company may provide for the appointment of a Director by the Trustees thereof or by the holders of Debentures (hereinafter referred to as "the Debenture Director") for and on behalf of the holders of Debenture or Debenture-stock for such period as is therein provided not exceeding the period for which the Debenture or Debenture-stock shall remain outstanding and may empower such Trustee or holders of Debenture or Debenture-stocks for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise, for appointment of another Debenture Director in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed from office except as provided as aforesaid.

(b) 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.

113. Subject to the provisions of Section 313 of the Act the Board of Directors of the Company 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, and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Director and to attend and vote there at accordingly. An Alternate Director appointed under this Article shall vacate office if and when the Original Director returns to the said State. If the term of office of the Original Director returns to the said State. If the term of office of the original Director is determined before he so returns to the said State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Provided always that no person shall be appointed by the Board as an Alternate Director who shall not have been previously selected and approved in writing by the Original Director or by the party which had appointed the Original Director as Special Director under Article 110.

114. Subject to the provisions of Sections 260, 262 and 284(6) of the Act, the Board of Directors shall have power, at any time and from time to time, to appoint any person to be a Director either as an addition to the

Board or to fill a casual vacancy occurring on account of the office of any Director appointed by the Company in general meeting being vacated before his term of office would expire in the normal course, but so that the total number of Directors shall not at any time exceed the maximum fixed in Article 109 above. Any person so appointed as an addition to the Board shall retain his office only upto the date all other directors are appointed in pursuance of Act 125 hereof. Any person appointed to fill a casual vacancy as aforesaid 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.

115. A Director shall not be required to hold any share to qualify him to act as Director of the Company.

116. Subject to the provisions of Section 198, 309, 310 and 3411 of the Act, the remuneration and travelling expenses payable to the Directors of the company may be as hereinafter provided.

(a) The fees payable to a Director for attending a meeting of the Board or Committee thereof shall be such sum as may be decided by the Board from time to time, subject to such limit as may be prescribed in that behalf from time to time by the Central Government under or pursuant to the Act.

(b) In addition to the remuneration payable as above, the Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for travelling, hotel and other expenses incurred by him, in attending and returning from meeting of the Board of Directors or any Committee thereof or general meetings of the Company.

(c) If any Director be called upon to perform extra services or special exertions or efforts, the Board may arrange with such Director for such special remuneration or such extra service or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board subject to the provisions of the Act, and such remuneration may be in addition in his remuneration above provided.

(d) In addition to the remuneration payable under sub-clause (c) above, the Directors may allow and pay to any Director such sum as the Board may consider fair compensation for travelling, hotel and other expenses incurred by him in connection with the business of the Company.

117. The continuing Directors may act notwithstanding vacancy in their body; but so that subject to the provisions of the Act if the number falls below the minimum number

above fixed and nor withstanding the absence of a quorum, the Directors may act for the purpose of filling up vacancies or for calling summoning General Meeting or Extraordinary General Meeting of the Company or in emergencies.

118. (1) Subject to the provisions of Section 283(1) of the Act the Office of a Director shall become vacant if:

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

(b) he applies to be adjudicated an insolvent; or

(c) he is adjudged an insolvent; or

(d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or

(e) he or any of his relatives or partners or any firm which he or any of his relatives is a partner or any private company of which he is a director or member accepts or holds any office or place or profit under the Company, other than that of Managing Director or Manager or Banker or Trustee for the holders of Debentures of the Company, under the Company, except with the consent of the Company accorded by a Special Resolution and the approvals of the Central Government wherever necessary as required by Section 314 of the Act; or

(f) he absents himself from three consecutive meetings 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 of Directors; or

(g) he become disqualified by an Order of the Court under Section 203 of the Act; or

(h) he is removed in pursuance of Article 131 or Section 284 of the Act; or

(i) 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; or

(j) he acts in contravention of Section 299 of the Act and by virtue of such contravention shall have been deemed to have vacated office; or

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

(l) he having been appointed a Director by virtue of his holding any office or other employment in the Company, cease to hold such office or other employment in the Company as the case may be; or

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

(2) Subject to the provisions of the Act a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.

119. The Company shall observe the restrictions imposed in the matter of grant of loans to Directors and other persons as provided in Section 295 of the Act.

120. (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 relation 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 for any shares in or debentures of the Company.

(2) Nothing contained in the foregoing 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

(b) any contract or contracts between the company on the one side and any such Director, relative, firm, partner or private company on the other side for sale, purchase or supply of any goods, materials and services in which either the company or the Director, relative, firm, partner or private company as the case may be regularly trades or does business.

Provided that such contract or contracts do not relate to goods and materials the value of which, or services the costs of which exceeds five thousand rupees in the aggregate in any year comprised in the period of the contractor contracts.

(3) Notwithstanding anything contained in the foregoing clauses (1) and (2), a Director, relative, firm, partner of private company as aforesaid may, in circumstances or urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds five thousand rupees 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 on which the contract was entered into.

(4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under clause (1) above shall not be deemed to have 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 the Article anything done in pursuance of the contract shall be voidable at the option of the Board.

121. (1) Subject to the provisions of clause (2), (3), (4) and (5) of this Articles and the restrictions imposed by Article 120 and other Articles hereof and the Act and the observance and fulfilment thereof, no Director shall be disqualified by reason of his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested, be liable to account to the Company for any profit realised as a result of or in pursuance of any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but it is declared that the nature of this interest must be disclosed by him as provided by clause (2), (3) and (4) hereof.

(2) Every Director 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 or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided by Clause (4) hereof.

(3) (a) In the the case of proposed contract or arrangement, the disclosure required to 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 the meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

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

(4) For the purpose of this Article, a general notice given to the Board of Directors by a Director to the effect that he is a Director or member of a 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 notice be 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. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further periods of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. The general notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the directors concerned shall take reasonable steps to secure that it is bought up and read at the first meeting of the Board after it is given.

(5) Nothing in Clause (2), (3) and (4) hereof shall apply to any contract or arrangement entered into or to be entered into between the company and any other Company where any one of the directors of the Company or two or more of them together holds or hold not more than 2 per cent of the paid up share capital in the other company.

122. An interested Director defined in the proceeding Article shall not take any part in the discussions 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, directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote; his vote shall be void;

Provided that this prohibition shall not apply :-

- (i) to any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company;

(ii) to any contract or arrangement entered into with public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely 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 appointment as a Director thereof, he having been nominated as such Director by the Company or in his being a member holding not more than two per cent of the paid-up share capital of such Company;

(iii) in case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.

123. (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, as defined by the Act of such a Director, no firm in which such a Director or relative is a Partner, no Private Company of which such a Director is a Director or member and, no Director, Manager of such a Private Company, shall hold any office or place or profit carrying a total monthly remuneration of five thousand rupees or more, except that of Managing Director, or Manager, Banker, or Trustee for the holder 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 to the 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.

Provided further that where a relative of a Director or a firm in which such relative is a partner, is appointed to an office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the general meeting aforesaid or within three months from the date of the appointment whichever is later.

Explanation:- 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 to such offices or place or profit on a higher remuneration nor 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) above 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 office or place of profit is held in contravention to the provisions of the above Clause (1), the Director, partner, relative, firm, private company, or the manager, concerned shall be deemed to have vacated his or the manager, concerned shall be deemed to have vacated his or its offices as such on and from the date next following the date of the general meeting of the Company referred to in the first proviso or as the case may be, the date of the expiry of the period of three months referred to in the second proviso to clause (1) of this Article, and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit. The Company shall not waive the recovery of any such sum refundable to it unless permitted to do so by the Central Government.

(4) Notwithstanding anything contained hereinabove

(a) no partner or relative of a director or manager;

(b) no Private Company of which such a Director or Manager or relative of either, is a Director or member, shall hold any office or place of profit in the Company which carries a total monthly remuneration of not less than Rs.8,000/- except with the prior consent of the Company by a Special Resolution and the approval of the General Government.

(5) Every individual, firm, Private Company or other body corporate proposed to be appointed to any office or place of profit to which this Article applies shall, before or at the time of such appointment, declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways referred to hereinabove hereof.

124. (1) The Company shall keep one or more Registers in which shall be entered separately particulars

of all contracts or arrangements to which section 297 or section 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 name of the parties thereto;
- (c) the principal 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 of 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.

(2) Particulars of every such contract or arrangement to which Section 297 of the Act or, as the case may be, sub-section (2) of the section 299 of the Act 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 contract or arrangement, within seven days of the receipt at the registered office of the Company of the particulars of such other contract for 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.

(3) 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 under sub-section (3) of Section 299 of the Act.

(4) Nothing in the foregoing Clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods and materials or the costs of such services does not exceed one thousand rupees in the aggregate in any year.

(5) The register aforesaid 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 member of the Company; and the provisions of Section 163 shall apply accordingly.

ROTATION OF DIRECTORS

125. (1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly, provided in the Act and these Article, be appointed by Company in General Meeting.

(2) The remaining Directors shall be appointed in accordance with the provisions of these Articles.

126. (1) At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

(2) Subject to Section 284(5) of the Act, the Directors to retire by rotation under the foregoing Article at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who becomes Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves be determined by lot. A retiring Director shall be eligible for re-appointment.

127. Subject to the provisions of Section 261 of the Act, the Company at the Annual General Meeting of which a Director retires in manner aforesaid, may fill up the vacated office by electing the retiring Director or some other person thereto.

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

(b) If at the adjournment meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:-

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

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

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

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

(v) the proviso to sub-section (2) of Section 263 or sub-section (3) of Section 280 of the Act is applicable to the case.

129. Subject to Section 255 and 259 of the Act, the Company may, by ordinary resolution from time to time, increase or reduce the number of directors, within the limits fixed in that behalf by these Articles, and may alter their qualifications.

130. (1) Subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles, the Company may remove any Director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

131. (1) Subject to the provisions of the Act and these Articles any person who is not a retiring Director shall be eligible for appointment to the office of Director at any general meeting if he or some member intending to propose him has, at least fourteen clear 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 Director or the intention of such member to propose him as a candidate for that office.

(2) Every person (other than a person who has left at the office of the Company a notice under Section 257 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall if appointed,

(3) A Director other than -

(a) a director re-appointed after retirement by notification or immediately on the expiry of his term of office; or

(b) an additional or alternative 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 reappointed as an additional or alternate Director immediately upon the expiry of his term of office; or

(c) a person named as a Director of the Company under the article as first registered.

shall not act as a Director of the Company unless he has within 30 days of his appointment signed and filed with the Registrar of Companies his consent in writing to act as such Director.

PROCEEDING OF THE BOARD OF DIRECTORS

132. The Directors may meet together as a Board for the despatch 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. The Directors may adjourn and otherwise regulate their meetings and proceedings as they may think fit.

133. A Director may, and upon the request of a Director, the Secretary shall, at any time, convene a meeting of the board of Directors. Notice of every meeting of the Directors shall be given in writing to every Director for the time being in India, and his usual address in India to every other Director.

134. Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors 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, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during the time.

135. If a meeting of the board cannot be held for want of quorum, then the meeting shall stand adjourned to such day, time and place as the director or Directors present at the meeting may fix.

136. The Directors may from time to time elect one of their Members to be Chairman of the Board of Directors to preside over the meeting and determine the period for which he is to hold office. The Directors may likewise appoint

a Vice-Chairman of the Board of Directors to preside over the meeting at which the Chairman shall not present. If so such Chairman and/or Vice-Chairman is elected, or if at any meeting of the Board of Directors the Chairman and/or Vice-Chairman are not present within five minutes of the time appointed for holding the same the Directors present shall choose one of their Members to be Chairman of such meeting.

137. Questions arising at any Board Meeting, shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.

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

139. Subject to the restrictions contained in Section 292 of the Act the Board of Directors may delegate any of their powers to Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part, either as to persons or purposes but every Committee of the Board, either wholly or in part and either as to powers or purposes, so formed shall, in the exercise of the power so delegated conform to any regulations that may from time to time be imposed on it by the Board of Directors. All acts done by such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles and may pay the same.

140. The meeting 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 meeting and proceedings of the Directors, so far as the same are applicable, thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

141. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft together with the necessary papers; if any to all the directors or to all the members of the Committee, then in India (not being less in number than the quorum for a meeting of the Board of Committee, as the case may be) and to all other directors

or members of the Committee, at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.

142. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or Committee or person acting aforesaid or that they or any of them are disqualified or had vacated office or that the appointment of any 67 of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Directors and had not vacated office or his appointment had not been terminated.

143. The Company shall cause minutes of the meetings of the Board of Directors and of Committee of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 193 of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting including the following:

(i) The name of the Directors present at such meetings of the Board of Directors, and of any Committee of the Board;

(ii) all orders made by the Board of Directors and Committee of the Board and all appointments of officers and Committees of Directors;

(iii) all resolutions and proceedings of meetings of the Board of Directors and Committees of the Board; and

(iv) in the case of such resolution passed at a meeting of the Board of Directors, or Committees of the Board of Directors, or Committees of the Board, the names of Directors, if any, dissenting from or not concurring in the resolution; or abstain from voting.

144. All such minutes shall be signed by the Chairman of the meetings as recorded or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so sign shall for all purposes whatsoever be prime facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have take place.

145. The Company shall maintain the following Registers, Books and Documents namely;

- (a) Register of investment not held in Company's name according to Section 49 of the Act.
- (b) Register of Mortgages and charges according to Section 143 of the Act.
- (c) Register of Members, and Index of Members according to Sections 150 and 151 of the Act.
- (d) Register and Index of Debenture holders according to Section 152 of the Act.
- (e) Register of contracts, companies and firms in which Directors are interested according to Section 301 of the Act.
- (f) Register of Directors according to Section 303 of the Act.
- (g) Register of Directors Shareholding according to Section 307 of the Act.
- (h) Register of Investments in shares or debentures of bodies corporate in the same group according to Section 372 of the Act.
- (i) Books of Accounts in accordance with the provisions of Section 209 of the Act.
- (j) Copy of instrument creating any charge requiring registration according to Section 136 of the Act.
- (k) 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.
- (l) Register of Renewed and Duplicate Certificate according to rule (2) of the Companies (Issue of Share Certificates) Rules, 1960.
- (m) Register of Deposits according to Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975, or any modification or replacement thereof.
- (n) Register of Foreign Members.

146. The said Registers, Books and Documents shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act 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.

POWERS OF DIRECTORS

147. (1) The management and control of the business of the Company shall be vested in the Directors who may exercise all such powers of the and do all such acts and things as are not by the Act or any statutory modification thereof for the time being in force or by any other Act or by the Memorandum or by these Articles, required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these Articles to the provisions of the Act or any statutory modifications thereof for the time being in force or any other Act on to such regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board of Directors shall not not except with the consent of the Company in General Meeting.

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

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

(c) Invest, otherwise than trust securities, (the amount of compensation received by the Company in respect of the compulsory acquisition after the commencement of the Companies Ammendment Act 1960), of any such undertaking as is referred to in Clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on only with difficulty or only after a considerable time.

(d) Borrow moneys in excess of the limits provided in Article 63;

(e) Contribute to charitable and other funds not directly relating to the business of the Company or welfare of its employees, any amount and aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent 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 proceeding, whichever is greater.

148. (1) Without derogating from the power 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 Meeting of the Board;

- (a) The power to make calls on shareholders in respect of money unpaid on their shares.
- (b) The power to issue debentures.
- (c) The power to borrow moneys otherwise than on debentures.
- (d) The power to invest the funds of the Company.
- (e) The power to make loans.

Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors or any other Principal Officer of the Company or to a Principal Officer of any of its branch offices, the powers specified in (c), (d) and (e) of this clause to the extent specified below on such conditions as the Board may prescribe.

(2) Every resolution delegating the power referred to in Clause (1) (c) shall specify the total amount outstanding at any one time upto which money may be borrowed by the delegates; provided, however, that where the Company has an arrangement with its Bankers for the borrowing of Moneys by way of overdraft cash or otherwise the actual day to day operation of the overdraft, cash credit or other accounts by means of which the arrangement is made is availed of shall not required the sanction of the Board.

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

(4) Every resolution delegating the power referred to in clause (1) (e) shall specify the total amount upto which the loan may be made by the delegates the purpose for which the loans may be made for each purpose in individual cases.

(5) 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 (a), (b), (c), (d) and (e) Clause (1) above.

149. Without prejudice to the general power conferred by Articles 63 and 14⁸ and so as not in any way to limit or restrict these powers, and without prejudice to the other

powers conferred by these Articles but subject to the restrictions contained in the last preceding two Articles, the Directors shall have the following powers, that is to say power;

1) To pay and charge to the capital account of the Company and commission or interest lawfully payable thereout under the provisions of Section 76 and 208 of the Act.

2) Subject to Section 22 and 297 of the Act, to purchase or otherwise acquire for the Company any property right or privileges which the Company is authorised to acquire, at for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such titles as all the then prevailing circumstances of the case may justify in the interest of the Company.

3) At their discretion and subject to the provisions of the Act, 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, bond, debentures, mortgages or, other securities of the Company, and any such shares may be issued as paid up and such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

4) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings machinery goods stores produce and other moveable property of the Company either separately or conjointly, 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.

5) To open accounts with any bank or bankers or with any Company firm or individual and to pay money and draw money from and such amount from time to time and the Directors may think fit.

6) To secure the fulfilment of any Contracts, Agreement or Engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for

the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such acts and things as may be required in relation to any such trust, and to provide for the remuneration of such Trustee or Trustees.

8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the Company, and to refer any claims or demands by or against the Company or any differences to arbitration, and observe, perform, implement and enforce any awards made thereon.

9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

11) Subject to the provisions of Section 292, 293(1), 295, 370, 372 and 373 of the Act, to invest and deal with any moneys of the Company, upon such security (not being shares of the Company) or without security and in such manner as they think may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

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

13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptance, endorsements, cheques, dividend warrants, release, contracts and documents and to give the necessary authority for such purpose.

14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transactions, and to charge such bonus or commission as part of the working expenses of the Company.

15) To provide for the welfare of the Director or Ex-Directors of the employees or ex-employees of the Company and the wives, widows and families or the dependants or connections of such persons, by building or contributing to the building of housings, dwellings or chawls, or by grants or money pensions, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical, and other attendance and other assistances as the Board of Directors shall think fit, and to subscribe or contribute or otherwise to assist or other institutions or objects or for any exhibition or for any public general or useful objects.

16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company, and for such other purpose (including the purposes referred to in preceding clause), as the Board of Directors may, in their absolute discretion think, conducive to the interest of the company, and to invest the several sums to set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board of Directors, in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matter to which the Board of Directors apply or upon which they 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 Board of Directors may 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 the purchase or repayment of debenture or debenture-stock and that without being bound to keep the same separate from the assets, and without being bound to pay interest on the same with power however to the Board of Directors, at their discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper.

17) To appoint and, at their discretion, remove or suspend such managers, secretaries, officers, assistants,

supervisors, clerks, agent and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries, emoluments to remunerations and to require security in such instances and to such amount as they may think fit and also without prejudice as aforesaid, from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the two next following sub-clauses shall be without prejudice to the general powers conferred by the sub-clause.

1) To comply with the requirements of any local law which in their opinion it shall in the interest of the company be necessary or expedient to comply with.

19) From time to time and at any time to establish and Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Board or any managers or agents and to fix their remunerations.

20) Subject to the provisions of Section 292 of the Act and Articles 149 from time to time, and at any time to delegate to any such Local Board, or any member or members thereof or any managers or agents so appointed any of the powers, authorities and discretions Board of Directors, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation under clause 19 of this Article may be made on such terms and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed, and may annual or vary and such delegation.

21) At any time and from time to time by power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers authorities and discretions and for such period and subject to such conditions as the Board of Directors, may from time to time think fit.

22) Subject to Section 294, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company, to enter into all such negotiations, arrangements and contracts and rescind and vary all such arrangements or contracts and execute and do all such acts, deeds, and things in the name and behalf of the Company as they may

consider expedient for on in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

23) Generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretion vested in the Directors to any person, firm, company, or fluctuating body or persons as aforesaid.

24) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

MANAGING OR WHOLE-TIME DIRECTOR(S)

150. Subject to the provisions of the Act, the Directors may from time to time appoint one or more of its members to be a Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director or Whole Time Director or Whole-Time Directors) of the Company for a fixed term not exceeding five years upon such terms and conditions as they may think fit, (subject to the provisions of the Act and subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

151. Subject to the provisions of the Act and of these Articles, a Managing Director or Whole-Time Director shall not, while he continues to hold that office, be subject to retirement by rotation under the Act or Article 125 Clause (1) but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole-Time if he ceases to hold the office of Director for any cause. Provided that if at any time the number of Directors (including the Managing Director or Whole-Time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole-Time Director or Whole-Time Directors, as the directors may from time to time select, shall be liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

152. Subject to the provisions of the Act and the approval of the Company in General Meeting, the remuneration of a Managing Director or Whole-Time Director shall from time to time be fixed by the Directors, and may be by way of fixed salary, or commission on profits of the Company or by participation in any such profits or by any or all of these models.

153. Subject to the superintendence, control and discretion of the Board of Directors, the day to day Management of the Company may be entrusted to the director or Directors with power to the Board to distribute such day to day functions among such Directors, if more than one, in any manner as directed by the Board, or to delegate such power of distribution to any one of them. The Board may from time to time entrust to and confer upon a Managing Director or Whole-Time Director for the time being, save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to exclusion of or in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

SECRETARY

154. (a) The Board of Directors may from time to time appoint any individual, as the Secretary of the Company to perform duties which may be performed by a Secretary under the Act and any other purely ministerial and administrative duties as the Board of Directors may from time to time assign to the Secretary including the duty to keep the registers required to be kept under the Act.

(b) The Board of Directors may at any time appoint a temporary substitute of the Secretary who shall for the purposes of these Articles and the Act be deemed to be the Secretary.

COMMON SEAL

155. (1) The Board of Directors shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of Directors or a committee of the Directors previously given.

(2) Every deed or other instrument which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted Attorney of the Company, be signed by two Directors or by a Director and countersigned by the Secretary or by some other person appointed by the Board for the purpose. Provided nevertheless that certificates of title to shares may be sealed and signed as provided in Article 10.

156. Save as otherwise expressly provided by the Act, a document or proceeding requiring authentication by the Company may be signed by a Director or Secretary or other officer authorised in that behalf by the Board of the Company and need not be under its seal.

ANNUAL RETURNS

157. The Company shall make requisite annual returns in accordance with Section 159 and 161 of the Act and shall file with the Registrar three copies of the balance sheet and profit and loss account in accordance with Section 220 of the Act.

DIVIDENDS

158. The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of any law for the time being in force and subject to these Articles shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.

Provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which dividend is declared shall, unless the Directors otherwise determine, only entitle and shall be deemed always to have only entitled, the holder of such share to an apportioned amount of such dividend as from the date of payment.

159. The Company in general meeting may subject to Section 205 of the Act declare dividends, to be paid to members according to their respective rights and interests in the profits but subject to any law for the time being in force and may fix the time for payment but no dividend shall exceed the amount recommended by the Board of Directors. However, the Company in general meeting may declare a smaller dividend than recommended.

160. No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits or otherwise than in accordance with the provisions of Section 205, 206 and 207 of the Act or any other law for the time being in force and no dividend shall carry interest as against the Company unless required by law. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

161. Subject to the provisions of the Act any law for the time being in force the Board of Directors may, from time to time, pay to the Members interim dividends as, in their judgement, the position of the Company justified.

162. Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or participate in profits.

163. The Company shall pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

164. The Board of Directors may, if they so think fit, retain the dividends payable upon shares in respect of which any person is under Article 59 entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

165. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from his to the Company in respect of such shares or shares or otherwise howsoever, either alone or jointly with any other person or persons; and the directors may without prejudice to any other right or remedy of the Company deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

166. A transfer of shares shall not pass the right to any dividend declared thereon before the Registration of the transfer.

167. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payment on account of dividends in respect of such share.

168. Unless otherwise directed and dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled, or in case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. Several executors or administrators of a deceased member in whose sole name any share stands, shall for the purposes of this clauses be deemed to be joint holders thereof.

169. Where a dividend has been declared by the Company but has not been paid, or the warrant in respect thereof has not been posted within forty-two days from the date

of the declaration, to any shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of forty-two days, transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of forty-two days, the special account to be opened by the Company in that behalf in any Scheduled Bank to be called "unpaid Dividend Account" or "SANTOSH FINE-FAB LIMITED" and all the other provisions of Section 205A of the Act in respect of the any such unpaid dividend or any part thereof shall be applicable, observed, performed and complied with. No unclaimed dividend shall be forfeited by the Board.

170. No dividend shall be declared or paid by the Company for the 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 sub-section (2) of section 505 of the Act except after the transfer to the reserves of the Company of such percentage of its profits for that year, as may be prescribed.

Provided that nothing in the sub-section shall be deemed to prohibit voluntary transfer by a Company of a higher percentage of its profits to the reserves in accordance with such rules as may be made by the Central Government in this behalf.

171. No dividends shall be paid otherwise than in cash.

172. Annual General Meeting declaring a dividend may 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 the members to be set off against the calls.

CAPITALISATION

173. Any general meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any Capital Redemption Reserve Fund, or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be, subject to the provisions of Section 78 of the Act, capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or such premium as the resolution may provide, any unissued shares or debentures or debenture stock or the Company which shall be distributed accordingly

or in or towards payment of the uncalled liability on any issued share or debentures or debenture-stock, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

174. A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for Income-tax distributed among the members on the footing that they receive the same as capital.

175. For the purpose of giving effect to any resolution under the two last preceding Articles, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient, and in particular may issue fractional certificate, and may (fix the value for distribution of any specific asset, and may) determine that cash payments shall be made to any members upon the footing of the value so fixed or that fractions of less value than Rs. 1/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Directors and generally may make such arrangements for the acceptance allotment and sale of such shares or other specific assets and fractional certificates or otherwise as they may think fit. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956 and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund and such appointment shall be effective.

176. If and whenever any shares become held by any member in fraction, the Directors may subject to the provisions of the Act and these Articles and sell these shares which members hold in fractions for the best price reasonably to be directions, of the Company in general meeting, if any, consolidate and 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 application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

ACCOUNTS

177. (1) The Company shall cause to be kept proper books of account with respect to"
- (a) all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
 - (b) all sales and purchases of goods by the Company.
 - (c) the assets and liabilities of the Company.
- (2) If the company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at the 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 think fit, where the main books of the Company are kept.

178. The books of account shall be kept at the Registered Office of the Company or at such other place or places as the Board of Directors think fit and shall be open to inspection by any Director during business hours.

179. The books of account of the Company relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order.

180. The Board of Directors shall from time to time determine whether and to what extent and at what time and places, and under what conditions or regulations the records and documents of the Company or any of them as are in law open for inspection by members, shall be open for the inspection for the members.

181. 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 to 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 where an extension of time has been granted by the Registrar of Companies under the provisions of the Act by more than six months and the extension so granted.

182. (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 part I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit.

- (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 or 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.

183. (1) Every balance sheet and every profit and loss account of the Company shall be signed on behalf of the Board of Directors of its Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if there is one.
- (2) When only one Director is for the being in India, the balance sheet and profit and loss account shall be signed by such Director and in such case there shall be attached to the balance sheet and the profit and loss account of a statement signed by him explaining the reason for non-compliance with the provisions of Clause (1) above.
- (3) The balance sheet and the profit and loss account shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

184. The profit and loss account shall be annexed to the balance sheet and the Auditor's Report (including the Auditor's separate, special or supplementary report, if any) shall be attached thereto.

185. (1) 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
- (a) the state of the Company's affairs;
 - (b) the amounts, if any, which it proposes to carry to any Reserve in such balance sheet;

- (c) the amount, if any, which it recommends to be paid by way of dividend and
 - (d) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the balance sheet relate and date of the report.
- (2) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members, and will not in the Board's opinion be harmful to the business of the company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.
- (3) The Board's report shall also include a statement showing the name of every employee of the Company who :
- i) if employed throughout the financial year, was in receipt of remuneration for the year which, in the aggregate, was not less than Seventy two thousand rupees; or
 - ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Six thousand rupees per month.
- b) The Statement referred to in clause (a) shall also indicate:
- i) Whether any such employee is a relative of any director or Manager of the Company and if so, the name of such Director, and
 - ii) Such other particulars as may be prescribed.

Explanation: "Remuneration" has the meaning assigned to it in the Explanation to Section 198 of the Act.

- 4) The Board shall also give the fullest information and explanations in its report or in cases falling under the proviso every reservation, qualification or adverse remark contained in the Auditor's Report.
 - 5) 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 clauses (1) and (2) of the Article 184.
186. 1) A copy of every balance sheet (including the Profit and Loss Account, the Auditors report and every other document required by law to be annexed or attached, as the case may be, to the balance sheet 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 working hours for a period of twenty one days before the date of meeting. A statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid, as the Company may deem fit will be sent to every member of the Company, to every holder of debentures issued by the Company (not being debentures which exfacie are payable to the bearer thereof) to every Trustee for one holders of any debentures issued by the Company whether such member, holder or trustee is or not entitled to have notices of General Meeting of the Company sent to him and to all person other than such members, holders or trustess being persons so entitled not less than 21 days before the date of the meeting as laid down in section 219 of the Act and all the rest of the provisions of the Section shall apply in respect of the matters referred to in this Article.
- 2) Any member or holder of debentures of the Company, whether he is or is not entitled to have copies of the Company's balance sheet sent to him shall, on demands, be entitled to be furnished without charge and any person from whom the Company has accepted sum of money by way of deposit shall, on demand, accompanied by the payment of a fee of one rupee,

be entitled to be furnished with a copy of the last balance sheet of the Company and of every document required by law to be annexed or attached thereto, including the profit and loss account and the Auditor's Report.

AUDIT

187. Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss account and balance sheet ascertained by an Auditor/Auditors to be appointed as herein provided.

188. (1) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment, give intimation thereof to every Auditor so appointed. Provided that before any appointment or re-appointment of Auditor or auditors is made by the Company at any Annual General Meeting a written certificate shall be obtained from the Auditor or Auditors proposed to be so appointed to the effect that the appointment or re-appointment, if made, will be in accordance with the limits specified in sub-section (1-B) of Section 224 of the Act.

- (2) At the Annual General Meeting, a retiring Auditor, by whatsoever authority appointed, shall be reappointed unless;
- a) he is not qualified for re-appointment;
 - b) he has given the Company notice in writing his un-willingness to be re-appointed.
 - c) a resolution has been passed at the 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 person or perform in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all these persons, as the case may be, the resolution cannot be proceeded with.

- (3) Where at an Annual General no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
 - (4) The Company shall, within seven days of the Central Government's power under sub-clause (2) becoming exercisable, give notice of that fact to that Government.
 - (5) The Board of Directors may fill any casual vacancy in the office of the Auditor, but while any such vacancy continues, the remaining Auditor or Auditors (if any) may act, but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting. Any Auditor appointed in a casual vacancy shall hold office until the conclusion of the next Annual General Meeting.
 - (6) A person, other than a retiring auditor shall not be capable of being appointed at an Annual General Meeting unless 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 notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.
189. (1) The person qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.
- (2) None of the persons mentioned in Section 226 of the Act, to be not qualified for appointment as Auditors shall not be appointed as Auditors of the Company.

190. The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

191. (1) Every auditors of the Company shall have a right of access at all times to the books and accounts 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.
- (2) All notices of, and other communications relating to any general meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company; and the Auditor shall be entitled to attend any General Meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.
- (3) The Auditor shall make a report to the members of the Company on the accounts examined by him and on every balance sheet and profit and loss account, and on every other document declared by the Act to be part of or annexed to the balance sheet or profit and loss account which are laid before the Company in General Meeting, during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to the 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.
- (4) The Auditors Report shall also state:
- a) Whether he has obtained all the information and explanation which to the best of his knowledge and belief were necessary for the purpose of his audit;
 - b) Whether, in his opinion, proper books of account as required by law have been kept by the Company so far as appears from his explanation of those books, and proper returns adequate for the purposes of his audit have been received from branches.

- c) 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:
 - d) 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.
- (5) Where any of the matters referred to in Clause (i) and (ii) of sub-section (2) of Section 227 of the Act, or in clauses (a), (b) and (c) of sub-section (3) of Section 227 of the Act, or sub-clause 4(a), (b), (c) and (d) hereof is answered in the negative or with a qualification the Auditor's Report shall state the reason for the answer.
- (6) The accounts of the Company shall not be deemed as not having been, and the auditor's Report shall not state that those accounts have not been properly drawn up on the ground merely that the Company has not disclosed certain matters if:
- a) those matters are such as the company is not required to disclose by virtue of the provisions contained in the Act or any other enactment, and
 - b) those provisions are specified in the balance sheet and profit and loss account of the Company.

192. 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 that behalf.

193. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

194. Every account and the Director's Report thereon when audited and adopted by the Company in 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 henceforth

shall be conclusive. Provided further that such accounts and the Director's Report thereon may be attend or modified or varied at any time thereafter may be attend or modified or varied at any time thereafter with the consent of the company accroded by an Ordinary Resolution.

DOCUMENTS AND SERVICE OF DOCUMENTS

195. (1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address if any within supplied by him to the Company for the giving of notices to him.

(2) Where document is sent by post:

- a) service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing 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 acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
- b) Such service shall be deemed to have been effected:
 - i) in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the notice is posted, and
 - ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

196. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, documents advertised

in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

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

198. Subject to the provisions of the Act and these Articles notice of general meeting shall be given:

- i) to members of the Company as provided by Article 77 in any manner authorised by Articles 197 and 198 as the case may be or as authorised by the Act;
- ii) to the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 198 or as authorised by the Act;
- iii) to the Auditor or Auditors for the time of the Company, in any manner authorised by Article 77 or by the Act in the case of any member or members of the Company.

199. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them, and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised once in one daily English and on daily vernacular newspaper circulating in the city or town where the registered office of the Company is situated.

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

201. The signature to any notice to be given by the Company may be written, typed or printed.

202. A notice may be given by the Company to the joint-holders of a share by giving the notice to the joint holder named first in the Register in respect of shares. Several executors administrators of a deceased sole holder shall be deemed to be jointly entitled for the purpose of this Article.

WINDING UP

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

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

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

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

205. A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may, subject to the provisions of the Act 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 and consequential rights conferred by the section.

INDEMNITY

206. Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or servant of the company shall be indemnified by the Company against, and it shall be the duty of Directors out of the funds of the Company to pay, all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or Servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

207. Subject to the provisions of Section 201 of the Act, no Director, Manager or other officer of the Company shall be liable for the acts, receipts, neglects of any other Director or Officer or for joining any receipt of other Act for conformaity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom by moneys, securities, or effects shall be deposited or for any loss occasioned by

an error of judgement, omission, default or oversight on his part, or for any other loss, damage or misfortunes whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dis-honesty.

SECURITY CLAUSE

208. No member 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 is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company, and which in the opinion of the Directors would be inexpedient in the interest of the Company to disclose.

We, the several persons whose names, addresses and description are subscribed hereunder are desirous of being formed in to 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 to our respective names.

Name, Address, Occupation & Description of Subscribers	No. of Equity Shares taken by each Subscriber	Signature of Subscribers	Signature of witness his name, address, description and Occupation
1. Ram Niranjn Rchhpal Tibrewala S/o Richhpal Tibrewala 6, J. B. Nagar, Andheri Kurla Road, Bombay 400 059. (Business man)	10 (Ten) Equity	Sd/-	
2. Sureshchand Kedia S/o Shri Gajanand Kedia 3/7, J. B. Nagar, Andheri (East), Bombay 400 059. (Business man)	10 (Ten)	Sd/-	Sd/- S. K. Bhuwania Shrawan Kumar Bhuwania S/o Mahadeolal Bhuwania Chartered Accountant 557/52, J. S. Seth Road, 3rd Floor, Bombay 400 002.
3. Shardadevi Kedia W/o Kishorilal Kedia J. B. Nagar, Andheri Kurla Road, Bombay 400 059. (Business man)	10 (Ten)	Sd/-	
4. Prehaladral Poddar S/o Mohanlal Poddar 51, Mangalkarini Co-op. Society, 17th Road Sidharth Nagar, Goregaon (W), Bombay 400 062. (Business man)	10	Sd/-	
TOTAL	40 (Forty)		

Dated this 16th day of September 1981.