

**ARTICLES OF ASSOCIATION  
OF  
KALLAM SPINNING MILLS LIMITED.**

1. No regulations contained in Table "F", in the First Schedule to the Companies Act, 2013, or in the Schedule to any previous Companies Act, shall apply to this 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 reference to the repeal or alterations of or addition to its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Articles."

**INTERPRETATION**

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

"The Company" or "this Company" means KALLAM SPINNING MILLS LIMITED.

"Act" or Companies Act" shall mean the Companies Act, 1956 or the Companies Act, 2013 to the extent applicable as amended from time to time and every modification or re-enactment thereof and references to Sections of the Act shall be deemed to mean and include reference to a section enacted in modification or replacement thereof.

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

"Beneficial Owner" means the beneficial owner as defined under Clause (a) of Sub - Section 1 of Section 2 of the Depositories Act, 1996.

"Depositories Act" shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force and "Depository" shall have the meaning assigned thereto by the Depositories Act.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and every person holding shares in the capital of the Company, whose name is entered as beneficial owner in the records of a depository.

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

"Paid up" includes credited as paid-up.

"Persons" include Corporations as well as individuals,

"The Registrar" means the Registrar of Companies, Andhra Pradesh.

"Secretary" includes a temporary or Assistant Secretary and any person or persons appointed by the Board to perform any of the duties of a Secretary.

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

"Year" means the calendar year and "financial year" shall have the meaning assigned there to Section 2 (41) of the Companies Act, 2013.

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

Words and expressions used in these Articles and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to them in that Act.

Save as aforesaid, any words or expressions defined in the Companies Act, 2013, shall, if not in consistent with the subject or context, bear the same meaning in these Articles.

### **CAPITAL AND INCREASE AND REDUCTION IN CAPITAL**

- 3(a) The Authorised Share Capital shall be as stated in Clause V of the Memorandum of Association of the Company from time to time.
- (b) subject to the provision of the Act and any other statutory enactment order/notification as may be in force from time to time and this Article, the company shall have power to issue all kinds of securities, (both shares or debt instruments of every kind) either convertible or non-convertible or partly convertible, either in India or outside India, and upon such terms and conditions the Board of Directors may impose in accordance with the provision of the Act or any statutory enactment / order / Guideline / regulation/ notification as may be in force from time to time.
- (c) Subject to the provisions of the Act, and any other statutory enactment/ order/ regulation/ guideline/ notification as may be in force from time to time and these Articles, the Company shall have power to issue fully convertible and / or partly convertible Warrants/ Options carrying right of conversion into equity shares at such time or during such period and in such manner as may be decided at the time of issue of warrants in accordance with the provisions of the said Act / other enactment / order/ regulation / guideline issued by the Securities and Exchange Board of India (SEBI) or other authority and in force from time to time and any resolution of the Company that may be passed in a General Meeting in that behalf.
4. Subject to the provisions of the Act, any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed on such terms and in such manner as the Company, before the issue of such shares, may by special resolution determine.
- 5(a) The Directors shall in making the allotments duly observe the provisions of the Act.
- (b) The amount payable on application on each share shall not be less than 5 percent of the nominal amount of the share.

- (c) Nothing herein contained shall prevent the Directors from issuing fully paid-up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- 6. The Company in a General Meeting may, from to time, increase the authorised Capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution 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 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 the Act.
- 7. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be, subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- 8. Subject to the provisions of the Act, the Company in General Meeting may, from time to time by Special Resolution, reduce its Capital and any Capital Redemption, Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, capital may be paid off on the footing that It may be called up again or otherwise. This article is not to derogate any power, the Company would have, if it were omitted.
- 9. Subject to the provisions of the Act, the Company in a General Meeting may from time to time, sub-divide or consolidate its share. Subject as aforesaid, the Company in a General Meeting may cancel shares, which 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.
- 10. The Company in a General Meeting may convert any fully paid-up shares into stock and may at any time convert any stock into fully paid-up shares of any denomination. The provisions of clause 37 of Table “F” to Schedule – I of the Companies Act, 2013 shall apply when shares are converted into stock aforesaid,

### **SHARES AND CERTIFICATES**

- 11. The Company shall cause to be kept a Register and Index of Members in accordance with the Act.
- 12.(a) Each share in the capital of the Company shall be distinguished by an appropriate number provided however that this provision shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in dematerialized form and the shares which are dematerialized are to be in fungible form. No share shall be subdivided except in the manner; herein before mentioned in these Articles. Every forfeited or surrendered share shall continue to bear the number, if any, by which the same was originally distinguished.

- (b) Notwithstanding anything contained in these Articles, when the shares are dealt with in a Depository, the Company shall intimate the details of allotment of shares to the Depository immediately on allotment of such shares.
13. The Board shall observe the restrictions as to allotment of shares to the public contained in the Act, and shall cause to be made the returns as to allotment.
  14. Where it is proposed to increase the subscribed capital of the Company by allotment of further shares, then allotment of such further shares shall be made in accordance with the provisions of the Act / other enactment / order/ regulation / guideline issued by the Securities and Exchange Board of India (SEBI) or other authority and in force from time to time, as may be applicable to the Company from time to time.
  15. Subject to provisions of these Articles and of the Act, the Shares shall be under the control of the Board, who may allot or otherwise dispose off the same to such persons on such terms and conditions and at such times as the Board thinks fit and with full power to allot shares of any class of the Company either, subject to the provisions of Sections 52 and 53 of the Companies Act, 2013, at a premium or at par or at a discount provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in a General Meeting. The Board shall cause to be made the returns as to allotment provided for in the Act.
  16. In addition to and without derogating the powers for that purpose conferred on the Board under Articles 14 and 15, the Company in a General Meeting may, subject to the provisions of the Act, 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 members or not) in such proportion and on such terms and conditions and either, subject to compliance with the provisions of Sections 52 and 53 of the Companies Act, 2013, 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, subject to the compliance with the provision of Section 78 and 79 of the Act, at a premium or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting of the Company. The General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.
  17. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall, for the purpose of these Articles be a member.
  18. The money if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
  19. Every member or his heirs, executors or administrator, 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 shall from time to time, in accordance with these Articles, require or fix for the payment thereof.

- 20 (a) Every member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letters of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their Attorneys and the Secretary or other person shall sign the share certificate; provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than the Managing Director or a whole time Director, if any. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the data of issue.
- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member and the certificate of any share, which may be the subject of joint ownership may be delivered to any one of such joint owner on behalf of all of them. The Company shall comply with the provisions of the Act.
- (c) 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, but not by means of a rubber stamp, provided that Directors shall be responsible for the safe custody of such machine equipment or other material used for the purpose.
21. (a) No certificate or any share or shares shall be issued either in exchange, for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.
- (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of Share Certificate No..... Sub-divided / replaced on consolidation of shares."
- (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fee, not exceeding Rupees Two as the Board may from time to time fix, and on such terms, if any, as to evidence and indemnify as to payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board may think fit.

- (d) Where a new share certificate has been issued in pursuance of Clause (c) of this Article, it shall state on the face of it and against stub or counterfoil to the effect that is a "Duplicate issued in lieu of share certificate No....." The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
  - (e) Where a new share certificate has been issued in pursuance of clause (a) of this Article, particulars of every such certificate shall be entered in a Registered or Renewed or Duplicate certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.
  - (f) All the blank forms to be issued of share certificate shall be printed and the printing shall be done on the authority of a resolution of the Board. The blank forms to be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
  - (g) The Managing Director for the time being, or, if the Company has no Managing Director, every Director shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in clause (f) of this Article.
  - (h) All books referred to in clause (g) of this Article shall be preserved in good order permanently.
  - (i) Notwithstanding anything contained in these Articles, when the shares are dealt with in a Depository, no share certificates shall be issued by the Company. However, in respect of shares held in a Depository, the investor shall have the option to request the Company to issue share certificate in physical form at any time, subject to the provisions of the Depositories Act.
22. If any share stands in the names of two or more persons, the person first named in the Register of Members shall as regards receipt of dividends or bonus or service or notice and all or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to these Articles.
23. Unless otherwise expressly provided in these presents, and except as ordered by a Court of competent jurisdiction, or as by law required, the Company shall not be bound to recognize an equitable, contingent, future or partial interest in any share, or any right in respect of a share, other than an absolute right thereto in accordance with these Articles, in the person from time to time registered as the holder thereof,

or whose name appears as the beneficial owner of shares, in the records of a Depository, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

24. The company shall have power to buy its own shares, in compliance with section 68, 69 and 70 of the Companies Act, 2013 read with rules made thereunder and the Regulations/ guidelines issued by Securities and Exchange Board of India.

#### **UNDERWRITING AND BROKERAGE**

25. Subject to provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring or agreeing to procure subscription (whether absolute or conditional) for any share or debentures in the Company; but so that the commission shall not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or allotment of fully or partly paid shares or partly in one way and partly in the other.
26. The Company may pay a reasonable sum for brokerage.

#### **CALLS**

27. The Board may, from time to time subject to the terms on which any shares may have been issued and subject to the conditions of allotment and a resolution passed at a meeting of the Board, (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively, and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.
28. Thirty Days notice in writing 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 be made.
29. A call shall be deemed to have been made at the time when resolution authorising such call was passed at a meeting of the Board.
30. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
31. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such times as to all or any of the Members who reside at a distance or other cause, the Board may deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of

grace and favour.

32. If any Member falls to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 9 percent per annum, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.
33. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of the premium shall for the purposes of these Articles be deemed to be a call duly made and of which due notice has been given and payable on the date which by the terms of issue became payable and in case of non-payment all relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
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 entered on the Register of Members as the holder at or subsequently to the date at which the money sought to be recovered is alleged to have become due on 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 representatives used in pursuance of these Articles; 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 Meeting at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the mailers aforesaid shall be conclusive 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 there after proceeding to enforce a forfeiture of such shares as hereinafter provided.
- 36 (a) The Board 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 his shares beyond the sums actually called up; and upon the moneys so paid In advance or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest at such rate not exceeding without the sanction of the Company in a General Meeting 15 percent per annum,



as the Member paying the sum in advance and the Board agree upon provided that money paid in advance of calls shall not confer a right to dividend to participate in profits. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing.

- (b) No member paying any such sum in advance shall be entitled to voting rights in respect of the money so paid by him until the same would, but for such payment, become presently payable.

### **LIEN**

- 37. The Company shall have a first and paramount Lien upon every share not being fully paid-up and registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for payment shall actually have arrived or not and no equitable interest in any share shall be created except upon the footing and conditions that Article 23 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such share, unless otherwise agreed, the registration of a transfer of share shall operate as a waiver of the Company's lien if any in such share.
- 38. For the purpose of enforcing lien, the Board may sell the share subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of its members to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until periods as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such members or his representatives and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities for fourteen days after such notice.
- 39. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the Lien exists as is presently payable and the residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the persons entitled to the shares immediately prior to the same.

### **FORFEITURE OF SHARES**

- 40. If any Member fails to pay the call money or installments of the call money on or before the day appointed for the payment of the same or any extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.
- 41. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place on and at which such call or installment and such interest

thereon at such rate not exceeding 9 percent per annum as the Board shall determine from the date on which such call or instalment ought to have been paid 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 call was made or installment is payable will be liable to be forfeited.

42. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
43. 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 Registrar of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
44. Any share so forfeited shall be deemed to the property of the Company and may be sold or re-allotted or otherwise offered either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
45. Any member whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 9 percent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
46. 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 incidental to the share, except only of those rights by these Articles are expressly saved.
47. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts stated as against all persons claiming to be entitled to the share.
48. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person execute an instrument of transfer of the shares sold and cause the purchasers name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see 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 shall not be impeached by any person and the

remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

49. Upon any sale, re-allotment or other disposal under the provisions of the proceeding Articles, the certificates originally issued in respect of relative shares shall stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person entitled thereto.
50. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, and null the forfeiture thereof upon such conditions as it thinks fit.

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

51. The Company shall keep a "Register of Transfers" and therein shall so fairly and distinctly enter particulars of every transfer or transmission of any share.
52. The Board may decline to recognise any instrument of transfer unless—
  - a) "The instrument of transfer is in the form as prescribed in rules made under subsection (1) of section 56."
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
53. Every such Instrument of transfer shall be executed by both the transferor and transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
54. The Board shall have power of giving not less than seven days previous notice by advertisement in a newspaper circulating in the District in which the Registered Office is situated to close the Register of Members or 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.
55. Subject to the provisions of the Act and subject to Section 22-A of the Securities Contract (Regulations) Act; 1956; the Board without assigning any reasons for such refusal may within one month from the date on which the instrument of transfer was delivered to the Company decline to register any transfer of shares and in the case of shares not fully paid-up may refuse to register a transfer to a transferee of whom they did not approve, provided the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares. If the Board refused to register any shares, the Company shall, within one month from the date on which the instrument of transfer

was lodged with the Company, send to the transferee and the transferor notice of the refusal.

56. Where an application is made by the transferor alone and relates to partly paid shares, the transfer shall not be registered, unless the company gives the notice of the application, in such manner as may be prescribed, to the transferee and the transferee gives no objection to the transfer within two weeks from the receipt of notice.
57. In the case of the death of any one or more of the persons named in the Register of Members as the Joint holders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in share, but nothing herein contained shall be taken to release the estate of a deceased Joint holder from any liability on shares held by him Jointly with any other person.
58. The executors or administrators or holders of a succession certificate or the legal representatives of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators or holders of Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or letters of Administration of succession Certificate, as the case may be, from a duly Constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, it may dispense with production of probate or letters of Administration or Succession: certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary: under Article 60 to register the name of any person who claims to be absolutely entitled to the shares in the name of deceased Member, as a Member.
59. No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
60. Subject to the provisions of Articles 57 and 58 any person becoming entitled to shares in consequences of the death, lunacy, bankruptcy, or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles, may upon producing such evidence that he sustains the character in respect of which he proposed to act under this Article, of his title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holders. Provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
61. A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or moneys as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the shares.

62. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the shares, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by the order of the Board.
63. Before the registration of a transfer, the certificate of the share to be transferred to, if no such certificate is in existence, a letter of allotment of such share, must be delivered to the Company along with, save as provided in the Act, a properly stamped and executed instrument of transfer.
64. The Company shall incur no liability or responsibility whatever in sequence 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 Registered of Members) to the prejudice of 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 of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company; but the Company shall, nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit
  - (a) Notwithstanding anything contained in these Articles, every holder of shares or debentures or other securities of the Company may, at any time, nominate, in the prescribed manner, a person to whom the shares or debentures or other security or securities held by such holder shall vest in the event of his death, and the provisions of the Act shall apply in respect of such nomination.
  - (b) Nothing contained in the foregoing Articles shall apply to transfer of shares affected by the transferor, and the transferee both of whom are entered as beneficial owners in the records of a Depository. In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic form in a Depository, the provisions of the Depositories Act shall apply.
  - (c) Except as otherwise expressly provided, the provisions contained in these presents shall be applicable to shares or other marketable securities held in a Depository, so far as they apply to shares or such securities in the physical form, subject however to the provisions of the Depositories Act and other regulations as may be applicable.
  - (d) Notwithstanding anything contained in these Articles, the Company shall have the power to dematerialize its shares including preference Shares, Debentures and other securities, to dematerialise the same and to offer and issue new shares, debentures or other securities in a dematerialised form in accordance with the provisions of

Depositories Act. The rights and obligations of the concerned parties in respect of the shares, debentures and other securities in the dematerialized form and all matters connected therewith and / or incidental thereto shall be governed by the provisions of the Depositories Act and relevant provisions of the Act. The Company shall cause to be kept a Register and Index of Members in accordance with the applicable provisions of the Act and the Depositories Act, with details of shares held in physical or dematerialised form in any media as may be permitted by law, including in any form of electronic media. The Company shall be entitled to keep in any state or country outside India, a branch Register of the Members resident in that state or country.

Provided further that a Register of index of beneficial owners maintained by a Depository under the applicable provisions of the Depositories Act, shall be deemed to be an Index of Members / of other securities, as the case may be, for the purpose of the Act.

- (e) Notwithstanding anything contained herein, in the case of shares, whether preference and / or equity or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form in a Depository, generally the provisions of Depositories Act, shall apply.
- (f) All documents or notice to be served or given by Members on or to the Company or to any Officer thereof shall be served or given by sending it to the Company or Officer at the office by post or leaving it at the office, Provided that where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or media.

#### **INSPECTION, COPIES OF REGISTERS, COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

- 65. Copies of the Memorandum and Articles of Association of Company and other documents referred to in Section 17 of the Companies Act, 2013 shall be sent by the Company to every Member at his request within seven days on payment of Rs. 50/- (Rupees Fifty Only) per copy..
- 66. Subject to the provisions of the Companies Act, 2013 and rules made thereunder, the Company shall charge a fee of Rs. 50/- for inspection of register of charges, by persons other than member or creditor.
- 67. Subject to the provisions of the Companies Act, 2013 and rules made thereunder, the Company shall charge a fee of Rs. 50/- for inspection registers and returns mentioned in Section 88 and 92 of the Companies Act, by persons other than member, debenture holder, other security holder or beneficial owner and also charge a fee of Rs. 10/- per page for giving copies of the registers or returns by member, debenture holder, other security holder or beneficial owner or to any other person.

68. Subject to the provisions of the Companies Act, 2013 and rules made thereunder, any member shall be entitled to be furnished, within seven working days after he has made a request in that behalf to the company, with a copy of any minutes of any general meeting, on payment of Rs. 10/- per page.
69. Subject to the provisions of the Companies Act, 2013 and rules made thereunder, the company shall provide extracts from such register maintained under Section 189 read with rules made thereunder to a member of the company on his request, within seven days from the date on which such request is made upon the payment of Rs. 10/- per page.
70. Subject to the provisions of the Companies Act, 2013 and rules made thereunder, the extracts from the register maintained under sub-section (9) of section 186 may be furnished to any member of the company on payment of Rs. 10/- per page.
71. Subject to the provisions of the Companies Act, 2013 and rules made thereunder, the company shall keep the all the registers open atleast for two hours in a day as may decided by the board from time to time.
72. Subject to the provisions of the Companies Act, 2013 and rules made thereunder, the company shall provide the copies under these Article 65 to 70 either in physical form or electronic mode.
73. Subject to the provisions of the Act, and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from Member, either in advance of calls or otherwise and generally raise or borrow or secure the payment or of any sum or sums of money for the Company, provided, however, where the moneys to be borrowed together with the moneys already (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting.
74. The payment or repayment of borrowed money as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of debenture or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
75. Any debentures may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion

into or allotment of shares shall be issued only with the consent of a special resolution of the Company in a General Meeting.

76. The Board shall cause a proper record to be kept in accordance with the provisions of the Section 85 of the Companies Act, 2013 of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of provisions of the Act that have to be duly complied with, so far as they shall have to be complied with by the Board.
77. The Company shall at any time it issues debentures, keep a Register and Index of Debentures holders in accordance with the provisions of the Act.

### **MEETINGS OF MEMBERS**

78. Every Annual General Meeting shall be called for a time during business hours on a day that is not a public holiday, and shall be held at the Office or at some other place within the City, town or village in which the Office is situated as the Board may determine and the notice calling the meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every Member shall be entitled to attend 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 which he attends on any part of the business which concerns him as an auditor. At every Annual General Meeting there shall be laid on the table the Directors Report and Audited Accounts and Balance Sheet, Auditor's Report, the Proxy Register with proxies and the Register of Directors share holdings which later Register shall remain open and accessible during the continuance of the Meeting. The Board shall prepare the annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the provisions of the Act.
79. The Board may, whenever it thinks fit, call an extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one tenth of such of the paid-up capital as at that date carried the right of voting in regard to the matter in respect of which the requisition has been made.
80. Any valid requisition so made by members must state the object or objects of the meetings proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provide that such requisition may consist of several documents in like form each signed by one or more requisitionists.
81. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if it does not proceed within twenty-one days from the date of requisition being deposited at the Office to cause a meeting to be called on a day not later than forty five days from the date of deposit of the requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.



82. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meeting are to be called by the Board.
83. Twenty-one day's notice at the least for every General Meeting, Annual or Extraordinary and by whomsoever called, specifying the day, place and hour of meeting and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided to such persons who are under these Articles entitled to receive notice from the Company. Provided that in the case of Annual General Meeting with the consent in writing of all the members entitled to vote there at and in case of any other meeting with the consent of 95 percent of the Members of the Company, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (I) the consideration of the accounts, balance, sheet and reports of the Board of Directors and Auditors, (II) the declaration of dividends, (III) the appointment of the Directors in place of those retiring, (IV) the appointment of and fixing of the remuneration of the Auditors, is to be transacted, and in case of any other meeting, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including, in particular the nature of the concern or interest if any therein of every Director and the Manager, if any. Where any such items of business relates to or effects any other Company, the extent of share holding Interest in the other Company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty percent of the paid-up share capital of that other Company. Where any item of business consists of according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
84. The accidental omission to any such notice given as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any resolution passed by any such meeting.
85. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
86. The quorum for a General Meeting is as prescribed in Section 103 of the Companies Act, 2013. A body corporate being a Member shall be deemed to be personally present if it represented in accordance with Section 113 of the Companies Act, 2013.
87. If within half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting if convened by or upon the requisition of Members stands dissolved, but in any other case the Meeting shall stand adjourned to the same day in the next week or if that day is public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place within the city in which the Office is situated as the Board may determine and if at such adjourned Meeting a quorum is not present within a half an hour from the time appointed for holding

the meeting the members present shall be the quorum and may transact the business for which the meeting was called.

88. The Chairman of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman or if he is not present within 15 minutes after the time appointed for holding such meeting or shall decline to take the chair any of the Directors present and willing to take the chair shall be the Chairman for that Meeting. If none of the Directors present are willing to take the chair, the members present may elect one of their members to be the Chairman of the Meeting.
89. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.
90. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place within the city in which the Office is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
91. Subject to provisions of Act/ other enactment / order/ regulation / guideline issued by the Securities and Exchange Board of India (SEBI) or other authority and in force from time to time, 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 on the show of hands), ordered to be taken by the Chairman, either of his motion or on a demand made by any member or members present in person or by proxy and holding not less than one tenth of the total voting power in respect of the resolution or, by any member or members present in person or by proxy, and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum of not less than Rs. 50,000/-, has been paid up and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the act, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
92. In case of an equality of votes the Chairman shall either on a show of hands or at a poll, if any, have a casting vote in addition to the vote or votes, if any, which he may be entitled to as a Member.

93. The Proceedings of the Meetings shall be conducted in accordance with the Provisions of the Companies Act, 2013 read with rules made therein under and subject to other enactment / order/ regulation / guideline issued by the Securities and Exchange Board of India (SEBI) or other authority and in force from time to time.

### **VOTE OF MEMBERS**

94. No Member shall be entitled to vote either personally or by proxy at any General Meeting or meetings of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any call or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right of lien.
95. Subject to the provision of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company, every member not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting and on a show of hands every Member present in person shall have one vote and upon a poll, every member present in person or by proxy shall, subject to provisions of the Act, have one vote for every share held by him either alone or jointly with any other person or persons. Provided, however, if any preference shareholder be present at any meeting of the Company then save as provided in the Act, he shall only have a right to vote in respect of such preference share on resolution placed before the meeting which directly affect the rights attached to his preference shares.
96. On a poll taken at a meeting of the Company, a Member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes, or cast in the same way all the votes he uses.
97. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction may vote, whether on a show hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on poll, vote by proxy; if any Member be a minor, the vote in respect of his share or shares shall be by his guardian or any of his guardians, if more, than one, to be selected in case of dispute by the Chairman of the meeting.
98. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether member or not) as his proxy in respect of such shares as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one or such joint holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name shares stands shall for the purpose of these Articles be deemed joint holders thereof.

99. Subject to the provisions of these articles, votes may be given either personally or by proxy. A body corporate being a member, may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Companies Act, 2013, and such representative shall be entitled to exercise the same right and powers (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could exercise if it were an individual member.
100. Any person entitled under these Articles to transfer any shares may vote at General Meeting in respect thereof in the same manner as if he were a registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case be at which he proposed to vote, he shall satisfy the Board of his right to transfer such shares and give such indemnity if any as the Board may require or the Board shall have previously admitted his right to vote at such meeting in respect thereof.
101. Every proxy (whether a member or not) shall be appointed in writing under the hand of the member or his appointed attorney, or if such appointer is a corporation under the Common Seal of the Corporation, or be signed by an officer or an attorney duly authorized by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at meeting.
102. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or every meeting to be held before the date specified in the instrument and every adjournment of any such meeting.
103. No member present only by proxy shall be entitled to vote on a show of hands unless such Member is a body corporate present by proxy who is not himself a Member, in which case such proxy shall, have a vote on the show of hands as if he were a Member.
104. The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed, or a notarised certified copy of that power or authority, shall be deposited at the Office not later than forty eight hours before the time of holding the Meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.
105. Every instrument of proxy whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in the Act or the rules made thereunder as may be applicable from time to time.
106. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the

meeting.

107. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meetings or poll whatsoever.
108. The Chairman of any meeting shall be the sole judge of the validity of every vote rendered at such meeting. The Chairman present at the taking of poll shall be the sole judge of the validity of every vote tendered at such poll.
109. (a) The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with Section 118 of the Companies Act, 2013.  
  
(b) Any such minutes shall be evidence of the proceedings recorded therein.  
  
(c) The book containing the minutes of proceedings of General Meetings shall be kept at the Office and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Director may determine, to the inspection of any Member without charge.

#### **DIRECTORS**

110. (i) Until otherwise determined by General Meeting, the number of Directors shall neither be less than THREE nor more than FIFTEEN inclusive of the ex-officio Directors. Nominee Directors, Technical Directors, Special Directors, Debenture Directors, Alternate Directors, Additional Directors, Co-opted, Executive, Administrative Directors and Corporation Directors, if any.  
  
(ii) The first Directors of the Company are :
  1. Sri Kallam Nagi Reddy
  2. Sri Kallam Srinivasa Reddy
  3. Sri Kallam Ranga Reddy
  4. Sri Karampudi Koteswara Rao
  5. Smt Kallam Pratyusha
  6. Smt Poluri Sivanagendramma
111. Subject to the provisions of the Act, the Directors shall have power at any time from time to time to appoint any qualified person as a Director either to fill a casual vacancy or as an addition to the board, but so that the total number of Directors shall not at any time exceed the maximum fixed as above. Any Director appointed to fill a casual vacancy shall hold office only up to the date upto which the Director in whose place he is appointed would have held office. Any person appointed as an additional Director shall hold office only upto conclusion of the next Annual General Meeting of the Company, but he shall be eligible for reappointment at such meeting.
112. No person not being a retiring Director shall be eligible for reappointment to the Office of Director at any General meeting unless he or some member intending to propose him has not less than 14 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 the Director or the intention of such member to propose him as a candidate for that office as, the case may be along with a deposit of Rs.1,00,000/- or such other sum as may be prescribed by law from time-to-time which amount shall be refunded to such person or as the case may be to such member if the person succeeds in getting elected as a Director.

113. The Directors of the Company may appoint an alternate Director to act as Director, (hereinafter called the original Director) during his absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held. An alternate Director shall vacate office if any, when the Original Director returns to the state. If the term of office of the original Director is determined before he returns, to the state, any provision in the Act or in these Articles for the automatic reappointment of retiring Director in default or of another appointment shall apply to the original Director and not to the Alternate Director.
114. (i) Subject to the Provision of the Act, one third of the total number of Directors, as determined by the Board of Directors, shall not be liable for rotation.  
  
(ii) So long as the company owes any money to any financial institution or company or body, the latter shall be entitled to nominate its representative in the Board as per the financing agreement between it and the company in this aspect.
115. No share qualification shall be necessary for any Director.
116. The fee payable to a Director for attending a meeting of the Board or Committee thereof shall be such sum as may fixed by the Board from time to time within the limits prescribed by law or approved by the Central Government from time to time.
117. Subject to the provisions of the Act:-
  - (a) The Director shall also be paid such further remuneration, if any, as the Company in the General Meeting may determine from time to time by Special Resolution and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may agree to among themselves from time to time and in the absence of any such agreement, in proportion to their respective attendance at the Board Meetings during the year preceding the General Meeting.
  - (b) If any Director being willing shall be called upon to live at any residence away from his usual place of residence on the Company's business, or to perform extra services (which expression shall include the work done by a Director in signing certificates of shares or debentures issued by the Company; or work done by him as Member of a Committee appointed by the Directors in terms of these Articles), the Directors may arrange with such Director for special remuneration for the extra services performed either by way of salary or commission or by way of participation in profits or by a fixed sum of money, and such remuneration may be either in addition to or in lieu of his remuneration provided vide Article 117 (a).
  - (c) A Director shall also be paid in addition to fee for attending meetings, a fair compensation to cover his travelling, lodging, boarding and other expenses incurred

by him in the process of attending the meetings of the Board or Committee or General Meetings at a venue in the Municipal limits thereof he is not ordinarily a bonafide resident.

(d)The directors shall be entitled to be repaid any travelling and other expenses incurred in connection with the business of the Company.

118. The continuing Director may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by the Articles of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting but for no other purpose.

119. (a) No person can be appointed as director if he is disqualified under Section 164 of the Companies Act, 2013.

(b)The Office of a Director shall become vacant if attains disqualification as specified in Section 167 of the Companies Act, 2013.

120. Subject to the provisions of the Act, a Director or his relative, a firm in which such Director or relative is a partner, any other partner in such a firm or a private Company of which such Director is a member or Director, may enter into a contract with the Company for the sale, purchase or any supply of goods, materials or services or for underwriting the subscription of any shares or debentures of the Company, provided that the consent of the Directors is obtained by a resolution passed at a meeting of the Directors before the contract is entered into or within three months of the date on which it was entered into. No such consent, however, shall be necessary to any such contract or contracts for the purchase of goods and materials at prevailing market prices or for the sale, purchase or supply of materials or services in which either the Company or the Director firm, partner or private company as the case may be, regularly trades or does business provided that the value of such goods and costs of such services do not exceed Five Thousand Rupees in the aggregate, in any calendar year comprised in the period of the contract or contracts, the Directors so contracting or being so interested shall not be liable to the Company for any profit realized by any such contract or the fiduciary relation thereby established.

121. A Director who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement entered into, or proposed contract or arrangement to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at Meeting of the Board in the manner provided in the Act; provided that it shall not be necessary for a Director to disclose, his concern or interest in any contract or arrangements entered into or to be entered into with any other Company where any of the Directors, Company or any such other Company or two or more of them together hold not more than two percent of the paid up share capital in such other company or the company, as the case may be. A general notice given to the Board by the Director to the effect that he is a Director or Member of a specified body corporate or is a Member of specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, alter after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the



financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read and at the first meeting of the Board after it is given.

122. No Director shall as a Director, take any part in the discussion; or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company; if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum and the time of any such discussion or vote; and if he does vote, his vote shall be void, provided however, that nothing herein contained shall apply to:
- (a) any contract or indemnity against any loss which the Directors, or any one or more of them suffer by reason of becoming or being sureties or a surety for the Company.
  - (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;
- (I) In his being:-
- (a) a Director of such Company, and
  - (b) 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
- (II) In his being a member holding not more than two percent of its paid-up share capital.
123. The Company shall keep a Register in accordance with Section 188 of the Companies Act, 2013 read with rules made thereunder..
124. Subject to the provisions of the Act a Director may be or become a Director of any Company promoted by the Company, or in which it may be Interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company.
125. Subject to the provisions of Section 152 of the Companies Act, 2013 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. For the purpose of this Article total number of directors” shall not include independent directors appointed under Section 149 of the Companies Act, 2013.
126. 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 the number against nearest to one-third shall retire from office.

127. Subject to the provisions of the Act, the Directors to retire by rotation under Article 126 at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day, those who are to retire shall, in default or and subject to any agreement among themselves, be determined by lot.
128. A retiring Director shall be eligible for re-election.
129. Subject to the provisions of the Act, the Company at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.
130. 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 public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
131. If at the adjourned 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 up 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 by virtue of any provision of the Act; or,
  - (V) the provision of Section 162 of the Companies Act, 2013 is applicable to the case.
132. (a) At every Annual General Meeting a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a Resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
  - (b) A resolution moved in contravention of sub-Article (a) of this Article shall be void whether or not objection was taken at the time of being so moved; provided that where a Resolution so moved is passed, no provision for the automatic re-appointment of retiring Directors in default of another appointment, shall apply.
  - (c) For the purpose of this Article a motion for approving a person's appointment or for

maintaining a person for appointment shall be treated as a motion of his appointment.

133. A person who is not a retiring director shall subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting if he or some Member intending to propose him, has not less 14 days before the meeting left at the office of the Company a notice in writing under his name signifying his candidature for the office of Director or the intention of such member, to propose him as a candidate for that office as the case may be.
134. Subject to the provisions of the Act, the Company may, by ordinary resolution from time to time, increase or reduce the number of Directors and may alter their qualification. The Company may subject to the provisions of the Act remove any Director before the expiration of his period of office and appoint, another duly qualified 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.
135. The Company shall keep at its registered office a Register containing the particulars of its Directors and other persons mentioned in Section 170 of the Companies Act, 2013 read with rules made thereunder and shall within the period of thirty days mentioned in the said Section, send to the Registrar a return containing the particulars specified, therein, and shall otherwise comply with the provisions of the said Sections in all respects.

#### **MANAGING DIRECTOR AND WHOLE TIME DIRECTOR**

136. Subject to the provision of the Act, the Board shall have the power to appoint from time to time any one or more of their body to the office of Managing Director and/or whole time Director for such period and on such terms and conditions as they deem fit. The Board may by resolution vest in such Managing Director / whole time Director such of the power vested in the Board as it deems fit, and such powers may be made exercisable for such period or periods upon such condition or restriction as it may determine. The remuneration of the Managing Director / whole time Director may be by way of monthly payment, participation in profits or by either or both of these methods or any other mode not expressly prohibited by the Act.<sup>34</sup>
137. Subject to the provisions of the Act, the Managing Director or Committee of Directors may be vested with such powers as the Board may determine by way of resolution.
138. The Company, shall not appoint or employ, or continue the appointment or employment of a person as Its Managing or Whole time, Director, who:-
  - (a) is an un-discharged insolvent, or has at any time been adjudged insolvent;
  - (b) suspends, or has at any time suspend with his creditors, or makes, or has at any time made, composition with them, or

(c) is, or has at any time been convicted by a court of an offence involving moral turpitude.

139. The Managing Director and/or Whole time Director shall not, while he continues to hold that office be subject to retirement by rotation in accordance with Article 121, but he shall be subject to the same provisions as to resignation and removal as the other Directors and if he ceases to hold the office of Director he shall ipso facto and immediately cease to be the Managing Director and/or whole Whole-time Director.

### **PROCEEDINGS OF THE BOARD OF DIRECTORS**

140. The Directors may meet together as a board for the despatch of business from time to time as provided in the Act. The Directors may adjourn and otherwise regulate their meetings as they think fit.

141. Subject to the provisions of the Act, the Chairman or Managing Director may, and the Secretary shall, upon the request of the Chairman, the Managing Director or any two Directors at any time, convene a meeting of the Board."

142. Subject to the provisions of the Act, the quorum for a Meeting of the Board shall be one third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher provided that where at any time the number of the interested Directors, exceeds or is equal two-thirds of the total strength, the number of the remaining Directors, that is to say; the number of Directors who are not present at the meeting being not less than two shall be the quorum during such time.

143. If a Meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

144. Subject to the Provisions of Article 142, a Director may at any time, and the Secretary upon the request of a Director, shall convene a meeting of the Board.

145. The Board of Directors of the Company shall have the right to appoint one of the Directors of the company as Chairman of the Board. If no such Chairman is appointed or if at any meeting of the Board, the appointed Chairman is not present within fifteen minutes after the time fixed for holding the same, the Directors present may choose any of the Board Members to be the Chairman of the meeting.

146. Any resolution to be passed by the Board shall be with such requisite majority as per the provisions of the Companies Act, where the quorum as per the act is present.

147. A meeting of the Board 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 these Articles are for the time being vested in or exercisable by the Board generally.

148. Subject to restrictions contained in Section 179 of the Companies Act, 2013 read with rules made thereunder the Board may delegate any of its powers to a Committee of the Board consisting of such member or members of 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 and either as to persons or purposes, by every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of its appointment but not otherwise shall have the like force and effect as if done by the Board.
149. The meetings and the 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 Board including the voting rights of the Chairman and the keeping of minutes thereof, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.
150. No resolution shall be deemed to have been duly passed by the Board or by the 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, at their respective addresses provided for such purpose and has been approved by a majority of such of the Directors or members of the Committee as are entitled to vote on the resolution.
151. 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
152. persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in the Articles be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or his appointment has not been terminated. Provided that nothing in this Articles shall be deemed to have validity to acts done by Director after his appointment has been shown to the Company to be invalid or to have been terminated.
153. (a) The Company shall cause minutes of all proceedings of every meeting of the Board to be kept in accordance with Section 118 of the Companies Act, 2013 read with rules made thereunder.  
(b) Any such minutes shall be evidence of the proceedings recorded therein.
154. Subject to the provisions of the Act, the control of the Company shall be vested in

the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the act or by any other statute or by the Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company in a General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions in that behalf contained in the Act or any other Statute or in the Memorandum of the Company or in these Articles or any regulations not inconsistent therewith and duly made thereunder including regulations made 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 could have been valid if that regulation had not been made.

155. Before recommending any dividend, the Board may from time to time 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 equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes as the Board may in its absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Companies Act, 2013 read with rules made thereunder may from time to time invest the several sums to set aside or to a part thereof as required to be invested upon (other than shares of the Company) as it may think fit and from time to time may deal with and vary such investments and dispose off and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in its absolute discretion, think conducive to the interest of the Company notwithstanding that the matter for which the Board apply or upon it expends 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 may divide the Reserve Fund or division of Reserve Fund into such special funds as the Board may think fit with powers to transfer the whole or any portion of a Reserve Fund or division of Reserve Fund to another Reserve Fund or Reserve Fund and with full power to employ the assets constituting all or any of the above funds including Depreciation Fund in the business of the Company or in the purchase of repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power, however, to the Board at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper not exceeding nine per cent per annum.

#### **THE SEAL**

156. (a) The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being, and the Seal shall never be used except by the Authority of the Board or a

previously authorised committee of the Board.

- (b) The Company shall also be at liberty to have on official seal in accordance with the provisions of the Act for the use in any territory, district or place outside India.

The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board and except in the presence of any one director or the Managing Director, if any, or such other person as the Board/Committee may appoint for the purpose who shall sign every instrument to which the seal of the company is so affixed in his presence..

### **DIVIDENDS**

157. The profits of the Company subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles shall be devisable among the Members in proportion to the amount of Capital paid-up on the shares held by them respectively.
158. The Company in Annual General Meeting may declare dividends to be paid to Members according to their respective rights but no dividends shall exceed the amount recommended by the Board, but the Company in Annual General Meeting may declare smaller dividend.

159. (a) No dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits or the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that if the Company has not provided for depreciation for any previous financial year, it shall before declaration or paying dividend for any financial year provide for such depreciation out of the profit of that financial year or out of the profits of any other previous financial year or years.
- (b) If the Company has incurred any loan in any previous financial year or years an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of the Act or against both.
160. The Board may from time to time pay to the Members such interim dividend as per their judgment of the financial position of the Company.
161. Where the 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 participate in profits.
162. The Company shall pay dividends in proportion to the amount paid-up on each share where a large amount is paid-up on some shares than on others.
163. The Board may retain the dividends payable upon shares in respect of which any person is, under Articles 61, 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.
164. Any of the several persons who are registered as the joint holders of any share can give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other monies payable in respect of such share.
165. No member shall be entitled to receive payment of any interest or dividend in respect of his shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise, howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend



payable to any 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. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of cheque or warrant sent through the post to the registered address of the member or person entitled to in case of joint- holders to the one of them first named in the Register of Members 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 cheque or warrant or pay slip or receipt 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 forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
168. No unpaid dividend shall bear interest as against the Company. No unclaimed dividend shall be forfeited by the Board and the Company shall comply with all the provisions of the Act in respect of unclaimed or unpaid dividend.
169. Any Annual General Meeting declaring a dividend may on the recommendation of the Board make a call to the Members as such meeting fixes, 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, be set off against the call.
170. (a) The Board 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 Account 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 capitalized and distributed amongst such of the shareholders as would be entitled to receive the same distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as Capital Fund and that all or any part of such capitalized 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 un-issued shares or debentures or debenture-stock of the Company which shall be distributed accordingly in or towards payment of the uncalled liability on any issued shares 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 capitalized sum PROVIDED

THAT a share premium account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of un-issued shares to be issued to members as fully paid bonus shares

- (b) A General Meeting may resolve that any surplus monies 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 is not subject to share for income tax to be distributed among the Members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of these Articles, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificate and may fix the value for distribution of any specific assets and may determine that such cash payment shall be made to any members upon the footing of the value so fixed or that fractions of less value than Rs. 10/- 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 capitalized fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance the provisions of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividends or capitalized fund, and such appointment shall be effective.

### **ACCOUNTS**

- 171. (a) The Board shall cause to be kept in accordance with the provisions of the Act, proper books of accounts with respect to:
    - (I) all sums of money received and expended by the Company and the matters in respect which the receipt and expenditure take place
    - (II) all sales and purchases of goods by the Company
    - (III) the assets and the liabilities of the Company.
  - (b) The books of accounts shall be kept at such place or places as the Board may determine in accordance with the provisions of the Act and shall be open to inspection by any Director during business hours.
  - (c) The Company shall preserve in good order the books of accounts relating to a period of not less than eight years preceding the current year.
172. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the Members not being Directors,

and no Members (not being a Director) shall have any right of inspection to any account or book or document of the Company except conferred by law or authorized by the Board.

173. The Board shall from time to time, in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company at the General Meeting such Balance Sheets, Profit and Loss Accounts and Reports as are required by these Sections.
174. A copy of the Balance Sheet (Including the Profit and Loss Account, the Auditors Report and every other document required by law, to be annexed or attached to the Balance Sheet) or the salient features of such documents, or such other documents, as may be prescribed shall be sent to, and also be available for inspection by the members of the Company and the other persons entitled, as mentioned by law.

### **AUDIT**

175. Auditors shall be appointed and their rights and duties regulated in accordance with Section 139 to 147 of the Companies Act, 2013 and rules made thereunder.
174. Every account of the Company when audited and approved by Annual 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.

### **DOCUMENTS AND NOTICES**

175. (a) A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address or, if has no registered address in India, to the address if any, in India supplied by him to the Company for serving documents or notices on him.
  - (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the documents or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member and where a document or notice is sent by post such service be deemed to have been effected, in the case of a notice of meeting at the expiration of forty-eight hours after the letter containing the notice is posted and, in any other case, at times at

which the letter would be delivered in the ordinary course at post.

176. A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the date on which the advertisement appears on or to every Member who has no registered address in India and has not supplied the Company an address within India for serving of documents on or the sending of the notices to him.
177. A document or notice may be served on or given by the Company or to the joint holders of a share by serving or giving the documents or notices on or to the joint-holder first named in the Register of Members in respect of the share.
178. A document or notice may be served on or given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased, or 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 or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
179. Documents or notices of every General Meeting shall be served or given in the manner herein before authorised on or to  
(a) every member, (b) every person entitled to a share in consequence of the death, insolvency of a Member and (c) the Auditor and/or Auditors for the time being of the Company.
180. Every person who by operation of law, transfer, or other means whatsoever shall become entitled to any share, shall be bound by every document or notice in respect of such share which, previously to his name and address being entered on the Register of Members shall have been duly served on or given to the person from whom he derived his title to such share.
181. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorized by the Board for such purpose and the signature thereto may be written, printed or lithographed.
182. All documents or notices to be served or given by a Member on or to the Company or any Office thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or registered post, or by leaving it at the office.
183. Notwithstanding and in addition to the provisions of Articles 170 to 182 (both inclusive) the Company shall, at the written request of any Member whose registered address is situated outside India, send a copy of each such document or notice to such Member at such registered address by prepaid air mail at the same time as documents or notices are sent or given as herein before provided and at the like

request of such Members at the same time a cable shall be sent to such Member at such registered address informing him that such document or notice has been so despatched. The cost of sending such documents or notices by prepaid air mail and of sending such cables shall be to the account of the Members concerned who shall from time to time as may be necessary, deposit with the Company an amount sufficient to meet the cost involved.

### **WINDING-UP**

184. If the Company shall be wound up, and the assets available for distribution among the Members are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding up on the shares held by them respectively. And if in winding up, the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid-up at the time of winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
- (b) The liquidator or any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide among the contributors, any part of the assets of the Company and may, with the sanction, vest any part of the aspects of the Company in trustees upon such trusts for the benefits of the contributories as the Liquidator with the like sanction, shall think fit.

### **INDEMNITY AND RESPONSIBILITY**

185. Subject to provisions of the Act read with rules made thereunder, every Officer including the Auditor or agent for the time being of the Company shall be indemnified out of the assets of the Company against liability incurred by him in defending the proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 read with rules made thereunder in which relief is granted to him by the court.

### **SECRECY CLAUSE**

186. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs, of the Company, including (without limitation) those with the

customers and the state of the accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required by the Directors or by law or by the person to whom such matters relate and expect so far as may be necessary in order to comply with any of the provision of the Act or these Articles.

- (b) No Member shall be entitled to visit or inspect any works of the Company without the permission of a Director or to require discovery or of any information in respect to 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 or 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, it would be expedient in the interest of the Company to disclose.