

**ARTICLES OF ASSOCIATION**  
**of**  
**INDIA NIPPON ELECTRICALS LIMITED**

**INDEX**

<b>Article</b>	<b>Description</b>	<b>Page No.</b>
1	Table A not to apply but Company to be governed by these Articles	1
2	Interpretation Clause	1 to 3
3	Authorised Share Capital	3
4	Increase of Capital by the Company and how carried into effect	3
5	New capital same as existing capital	4
6	Redeemable Preference Shares	4
7	Provisions to apply on issue of Redeemable Preference Shares	4
8	Reduction of Capital	4
9	Sub-division, consolidation and cancellation of Shares	4
10	Modification of rights	5
11	Register and Index of Members	5
12	Shares to be numbered progressively and no shares to be sub-divided	5
13	Further issue of Capital	5 to 6
14	Shares under control of Directors	6
15	Power also to Company in General Meeting to issue shares	6
16	Acceptance of Shares	6
17	Deposit, call, etc. to be debt payable immediately	7
18	Liability of Members	7
19	Share Certificate	7
20	Renewal of Share Certificate	7 to 8
21	The first named or joint holders deemed sole holder	8 to 9
22	Company not bound to recognise any interest in share other than that of registered holder	9
23	Buy-back of Shares	9
24	Commission may be paid	9
25	Brokerage	9
26	Interest may be paid out of capital	9
27	Directors may make calls	9
28	Notice of Calls	10

29	Calls to date from resolution	10
30	Calls may be revoked or postponed	10
31	Liability of joint holders	10
32	Directors may extend time	10
33	Calls to carry interest	10
34	Sums deemed to be calls	10
35	Proof on trial	10
36	Partial payment not to preclude forfeiture	11
37	Payment in anticipation of calls may carry interest	11
38	Company to have lien on shares	11
39	As to enforcing lien by sale	11
40	Application of proceeds of sale	11
41	If money payable on shares not paid, notice to be given to member	12
42	Form of notice	12
43	In default of payment, shares to be forfeited	12
44	Notice of forfeiture to a member	12
45	Forfeited share to be property of the Company and may be sold etc.	12
46	Member still liable to pay money owing at the time of forfeiture and interest	12
47	Effect of forfeiture	12
48	Evidence of forfeiture	12 to 13
49	Validity of sale under Articles 39 and 45	13
50	Cancellation of share certificates in respect of forfeited share	13
51	Power to annual forfeiture	13
52	Register of Transfers	13
53	Instrument of transfer	13
54	Instrument of transfer to be completed and presented to the Company	13
55	Transfer Books and Register of Members when closed	13 to 14
56	Directors may refuse to register transfer	14
58	Notice of application when to be given	14
59	Death of one or more joint holders of share	15
60	Title of shares of deceased member	15
61	No transfer to infant etc.	15
62	Registration of persons entitled to shares otherwise than by transfer	15

63	Persons entitled may receive dividend without being registered as member	15
64	Fee on transfer or transmission	16
65	Company not liable for disregard of a notice prohibiting registration of a transfer	16
66	Copies of Memorandum and Articles of Association to be sent by the Company	16
67	Power to borrow	16
68	Payment or repayment of moneys borrowed	16
69	Form of issue of debentures	17
70	Register of mortgages etc. to be kept	17
71	Register and Index of Debenture holders	17
72	Share may be converted into Stock	17
73	Rights of Stock holders	17
74	Annual General meeting, Annual summary	17 to 18
75	Extra-Ordinary General meeting	18
76	Requisition of members to state object of meeting	18
77	On receipt of requisition, Directors to call meeting and in default requisitionists may do so	18
78	Meeting called by requisitionists	18
79	Twenty-one days notice of meeting to be given	19
80	Omission to give notice not to invalidate a resolution passed	19
81	Meeting not to transact business not mentioned in Notice	19
82	Quorum at General meeting	19
83	Body Corporate deemed to be personally present	19
84	If quorum not present, meeting to be dissolved or adjourned	19
85	Chairman of General Meeting	20
86	Business confined to election of Chairman while chair vacant	20
87	Chairman with consent may adjourn meeting	20
88	Questions at General Meeting how decided	20
89	Chairman's casting vote	20
90	Poll to be taken if demanded	20
91	Scrutineers at poll	20 to 21
92	In what case, poll taken without adjournment	21
93	Demand for poll not to prevent transactions of other business	21
94	Members in arrears not to vote	21

94	Members in arrears not to vote	21
95	Number of votes to which member entitled	21
96	Casting of votes by a member entitled to more than one vote	21
97	Votes of joint members	21
98	Voting in person or by proxy	21 to 22
99	Votes in respect of shares of deceased and insolvent member	22
100	Appointment to proxy	22
101	Proxy either for specified meeting or for a period	22
102	Proxy to vote only on a poll	22
103	Deposit of instrument of appointment	22
104	Form of Proxy	22
105	Validity of votes given by proxy notwithstanding death of member	22
106	Time for objections of votes	22
107	Chairman of the meeting to be judge of validity of any vote	22
108	Certain matters to be exercised by special resolution	23
109	Minutes of General Meeting and inspection thereof by members	23 to 24
110	Number of Directors	24
111	Nominated Directors	24
112	Appointment of Nominee Director by ICICI, IDBI, IFCI etc.	24 to 26
113	Debenture Directors	26
114	Appointment of alternate Director	26
115	Directors' power to add to the Board	26
116	Directors' power to fill casual vacancy	26
117	Qualification of Directors	26
118	Remuneration of Directors	26 to 27
119	Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company's business	27
120	Special remuneration for extra services rendered by a Director	27
121	Director may act notwithstanding any vacancy	27
122	When office of a Director to become vacant	27 to 28
123	Director may contract with company	28 to 29
124	Disclosure of interest	29
125	General notice of interest	29
126	Interested Directors not to participate or vote in Board proceedings	29 to 30
127	Register of Contracts in which Directors are interested	30
128	Directors may be Directors of Companies promoted by the Company	30

129	Retirement and rotation of Directors	30
130	Ascertainment of Directors retiring by rotation and filling of vacancies	30
131	Eligibility of re-election	30
132	Company to appoint successors	30
133	Provision in default of appointment	30 to 31
134	Company may increase or reduce the number of Directors	31
135	Notice of candidate for office of Director except in certain cases	31
136a	Register of Directors etc. and notification of change to Registrar	31
136b	Register of shares or debentures held by Directors	32
137a	Disclosure by Director of appointment to any body corporate	32
137b	Disclosure by a Director of his holdings of shares and debentures of the Company etc.	32
138	Managing Director	32
139	Restriction on management	32 to 33
140	Certain persons not to be appointed Managing Director	33
141	Special position of Managing Director	33
142	Meetings of Directors	33
143	Notice of Meeting	33
144	Quorum	33
145	Adjournment of meeting for want of quorum	34
146	When meeting to be convened	34
147	Chairman of the Board	34
148	Questions at Board meeting, how decided	34
149	Powers of Board Meeting	34
150	Directors may appoint committees	34
151	Meeting of committee, how to be governed	34
152	Resolution by circulation	34 to 35
153	Acts of Board or Committee valid notwithstanding informal appointment	35
154	Minutes of Proceedings of the meetings of the Board	35 to 36
155	Powers of directors	36
156	Certain powers of the Board	37 to 40
157	Prohibition of simultaneous appointment of different categories of managerial personnel	40
158	Secretary	40
159	The seal, its custody and use	41

160	Deeds how executed	41
161	Division of profits	41
162	The Company in General Meeting may declare a dividend	41
163	Dividends only to be paid out of profits	41 to 42
164	Interim dividend	42
165	Capital paid up in advance at interest not to earn dividend	42
166	Dividends in proportion to amount paid-up	42
167	Retention of dividends until completion of transfer under Article 62	42
168	Dividend etc to joint holders	42
169	No member to receive dividend while indebted to the Company and the Company's right of reimbursement thereof	42
170	Transfer of shares must be registered	43
171	Dividend how remitted	43
172	Unclaimed dividend	43
173	No interest on dividend	43
174	Dividend and call together	43
175	Capitalisation	43 to 44
176	Directors to keep true accounts	44 to 45
177	As to inspection of Accounts or books by members	45
178	Statement of accounts to be furnished to General Meeting	45
179	Copies shall be sent to each member	45
180	When accounts to be deemed finally settled	45
181	Service of documents or notices	45 to 46
182	Advertisement	46
183	On Joint holders	46
184	On personal representatives etc.	46
185	To whom documents or notices to be served or given	46
186	Members bound by documents given, to be served on or given to previous holders	46
187	Document or notice by Company and signature thereto	46
188	Service of documents or notices by members	46
189	Liquidator may divide assets in specie	46 to 47
190	Directors' and others' right of indemnity	47
191	Secrecy clause	47

**THE COMPANIES ACT 1956**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

of

**INDIA NIPPON ELECTRICALS LIMITED**

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

**INTERPRETATION**

- |  |   |       |   |
|--|---|-------|---|
| <b>Interpretation Clause</b>           | 2 | (a)   | In the interpretation of these Articles, unless repugnant to the subject or context :   |
| <b>'the company' or 'this company'</b> |   | (i)   | 'the Company' or 'this Company' means INDIA NIPPON ELECTRICALS LIMITED.   |
| <b>'the Act'</b>                       |   | (ii)  | 'the Act' means the Companies Act, 1956, or any statutory modifications re-enactment thereof for the time being in force.   |
| <b>'Annual General Meeting'</b>        |   | (iii) | 'Annual General Meeting' means a general meeting of the members held in accordance with the provisions of the Act.  |
| <b>'Auditors'</b>                      |   | (iv)  | 'Auditors' means and includes those persons appointed as such for the time being by the Company.  |
| <b>'Board' or 'Board of Directors'</b> |   | (v)   | 'Board' or 'Board of Directors' means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board or Directors of the Company collectively.       |
| <b>'Capital'</b>                       |   | (vi)  | 'Capital' means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.   |
| <b>'Collaborator'</b>                  |   | (vii) | 'Collaborator' means KOKUSAN DENKI COMPANY LIMITED, a Corporation duly organised and existing under the Laws of Japan and having its Office at : 3744 OOKA NUMAZU-SHI, SHIZUOKA PREFECTURE 410 JAPAN. |



<b>'Debentures'</b>	(viii)	'Debenture' includes debenture-stock.
<b>'Directors'</b>	(ix)	'Directors' means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.
<b>'Dividend'</b>	(x)	'Dividend' includes bonus.
<b>'Extra-ordinary General Meeting'</b>	(xi)	'Extra-ordinary General Meeting' means an extra-ordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
<b>'Affiliate'</b>	(xii)	'Affiliate' with reference to collaborator means and includes its subsidiaries, associate companies and nominees and with reference to Indian Promoters it means and includes their associate companies and nominees.
<b>'Member'</b>	(xiii)	'Member' means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the memorandum of the Company.
<b>'Meeting or General Meeting'</b>	(xiv)	'Meeting' or 'General Meeting' means a meeting of members.
<b>'Month'</b>	(xv)	'Month' means a calendar month.
<b>'Office'</b>	(xvi)	'Office' means the registered office for the time being of the Company.
<b>'Ordinary Resolution'</b>	(xvii)	A 'Resolution' shall be an 'Ordinary Resolution' when at a General Meeting, of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the resolution (including the casting of vote, if any, of the Chairman) by the Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the Resolution by members so entitled and voting.
<b>'Paid up'</b>	(xviii)	'Paid up' includes credited as paid-up.
<b>'Persons'</b>	(xix)	'Persons' includes corporations and firms as well as individuals.
<b>'Register of Members'</b>	(xx)	'Register of Members' means the Register of members to be kept pursuant to the Act.
<b>'Registrar'</b>	(xxi)	'Registrar' means Registrar of companies of the State in which the Office of the Company is for the time being situate.
<b>'Secretary'</b>	(xxii)	'Secretary' means any individual possessing qualifications prescribed for the time being by any Rules made under the Act and appointed to perform the duties which may be performed by a Secretary under the act and any other ministerial or administrative duties.



<b>'Seal'</b>	(xxiii) 'Seal' means the Common Seal for the time being of the Company.
<b>'Share'</b>	(xxiv) 'Share' means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
<b>'Special Resolution'</b>	(xxv) A Resolution shall be 'Special Resolution' when : <ol style="list-style-type: none"> <li>1 the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution;</li> <li>2 the notice required under the Act has been duly given of the general meeting and</li> <li>3 the votes cast in favour of the resolution (whether on a show of hands or on a poll, as the case may be) by members, who being entitled so to do, vote in person, or where proxies are allowed by proxy, are not less than three times the number of the votes, if any cast against the resolution by members so entitled and voting.</li> </ol>
<b>'Written' and 'in writing'</b>	(xxvi) 'Written' and 'in writing' include printing lithography and other modes of representing or reproducing words in a visible form.
<b>'Year' and 'Financial Year'</b>	(xxvii) 'Year' means the calendar year and 'Financial Year' shall have the meaning assigned thereto by Section 2 (17) of the Act.
<b>'Singular number'</b>	(xxviii) Words importing the singular number include where the context admits or requires, the plural number and vice versa.
<b>'Gender'</b>	(xxix) Words importing the masculine gender also include the feminine gender.
<b>'Marginal Notes'</b>	(b) the marginal notes used in these Articles shall not affect the construction hereof.  (c) Save as aforesaid, any words or expression defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these articles.
<b>Authorised Share Capital</b>	3. The authorised share capital of the Company shall be such amount as may be authorised by the Memorandum of Association of the company from time to time.
<b>Increase of capital by the Company and how carried into effect</b>	4. The Company in General Meeting may from time to time increase the 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. Subject to the provisions of the Act any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular such shares may be issued with a

*As approved by the shareholders of the company through Postal Ballot on 8th March 2018.*

preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a 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 Sections 87 and 88 of the Act. Whenever the capital of the company is increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

- |   |  |
|---|--|
| <b>New Capital same as existing capital</b>                         | 5. Except 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.   |
| <b>Redeemable Preference Shares</b>                                 | 6. Subject to the provisions of Section 80 of the Act, the Company shall have the Power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner and terms and conditions of redemption.  |
| <b>Provisions to apply on issue of Redeemable Preference Shares</b> | 7. On the issue of Redeemable Preference Shares under the Provisions of Article 6 hereof the following provisions shall take effect : <ul style="list-style-type: none"> <li>a. no such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption.</li> <li>b. no such shares shall be redeemed unless they are fully paid;</li> <li>c. the premium, if any payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed</li> <li>d. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the Capital Redemption Reserve Account, a sum equal to the normal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company.</li> </ul> |
| <b>Reduction of Capital</b>   | 8. The Company may (subject to the provisions of Sections 78, 80, 100 to 105 inclusive, of the Act) from time to time by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised 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 from any power the Company would have but for this article.  |
| <b>Sub-division, consolidation and cancellation of shares</b>       | 9. Subject to the provisions of Section 94 of the Act, the Company in general meeting may from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub divided may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage  |

as regards dividend, capital or otherwise over or as compared with others or other, subject as aforesaid, the Company in General Meeting may also 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.

**Modification of rights**

10. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, effected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least threefourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class.

**SHARES AND CERTIFICATES**

**Register and Index of Members**

11. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members resident in that State or Country.

**Shares to be numbered progressively and no share to be sub-divided**

12. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

**Further issue of Capital**

- 13 A Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital, or out of increased share capital, then such further shares, shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paidup on these shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered the Board may dispose of them in such manner as they think most beneficial to the Company.
- B. Notwithstanding anything contained in the preceding sub-clause, the Company may
- a. by a Special Resolution ; or
  - b. Where no such Special Resolution is passed if the votes cast (whether on show of hands or on a poll as the case may be) in

favour of the proposal contained in the resolution moved at the General Meeting (including the casting vote if any, of the Chairman) by members who, being entitled to do so, vote in person or where proxies are allowed, by proxy, exceed the votes if any cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company offer further shares to any person or persons, and such person or persons may include the persons who at the date of the offer, are the holders of the equity shares of the Company.

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

**Shares under control of Directors**

- 14. Subject to the provisions of these Articles and of the Act, the shares including any shares forming part of any increased capital of the Company shall be under the control of Directors who may allot or otherwise dispose of the same to such persons in such proportion, on such terms and conditions, and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

**Power also to Company in General Meeting to issue shares**

- 15. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may, subject to the provisions of Section 81 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 person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of sections 78 and 79 of the Act) 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 or right to call for, or to be allotted shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such time and for such consideration as may be directed by such General meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

**Acceptance of shares**

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

- Deposit, call, etc. to be debt payable immediately** 17. 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 insertion 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.
- Liability of Member** 18. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such, manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.
- Share Certificate** 19. a. Every member or allottee of shares shall be entitled within one month from the date of application for registration of transfer or three months from the date of allotment (or within such other period as the conditions of issue shall provide) without payment.
- i. To receive one certificate for all his shares; or
- ii. To receive several certificates each for market lots of shares held by any member, 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 letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter 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 person appointed by the Board for the purpose, and 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, atleast one of the aforesaid two Directors shall be a person other than a Managing or wholtime Director. 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 date of issue.
- b. Any two or more joint allottees of share shall, for the purpose of this Article, be treated as single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them.
- 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 the director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- Renewal of share Certificate** 20. a. No certificate of any shares shall be issued either in exchange for those which are sub-divided or consolidated into marketable lots or in replacement of those which are defaced, torn or old, decrepit, worn



out, or whether the cages on the reverse for recording transfers have been fully utilised unless the certificate in lieu of which it is issued is surrendered to the Company. No fee should be charged for issue of such new certificate.

- b. When a new share certificate is issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of shares certificate no.   sub-divided / replaced / or 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 such terms, if any, as to evidence and indemnity as to the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit, and on payment of a fee of Re.1/- for each of such certificates.
- d. When a new share certificate is issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil that it 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 is issued pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates 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 reference in the 'Remarks' column.
- f. All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall 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 of 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 of the Company for the time being or if the Company has no Managing Director, every director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of shares certificates except the blank forms of share certificates referred to in sub-clause (f) above.
- h. All books referred to in sub-clause (g) shall be preserved in good order permanently.

**The first named or joint  
holders deemed  
sole holder**

- 21. If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipts of dividends or bonus or service of notices 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 severally as well as jointly, liable for the payment of all instalments and calls due in respect of such shares and for all incidents thereof according to the Company's regulations.

**Company not bound to recognise any interest in share other than that of registered holder**

22. Except as ordered by a Court of competent jurisdiction, or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) 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 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.

**Buy-back of Shares**

23. i. The Company may buy-back its own shares or other specified securities subject to the approval of the shareholders in a General meeting by a special resolution and in accordance with the provisions of the Act and the regulations framed in this regard by the Securities & Exchange Board of India (SEBI) and in accordance with any other applicable law or regulation for the time being in force,
- ii. The shares or other securities so bought shall be dealt with in such manner as may be decided by the Board, subject to the regulations made by SEBI or such other regulatory authorities.

#### UNDERWRITING AND BROKERAGE

**Commission may be paid**

24. Subject to the provisions of Section 76 of the Act, 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 subscriptions (whether absolute or conditional) for any shares 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 half percent of the price at which the debentures are issued or such rates as may be fixed from time to time.

**Brokerage**

25. The Company may pay a reasonable sum for brokerage.

#### INTEREST OUT OF CAPITAL

**Interest may be paid out of capital**

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

#### CALLS

**Directors may make 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, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call 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.

- |  |  |
|--|--|
| <b>Notice of calls</b>                   | 28. Atleast 'thirty days' notice in writing shall be given of any call by the Company, specifying the time and place of payment, and the person or persons to whom such call shall be paid.  |
| <b>Calls to date from resolution</b>     | 29. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.   |
| <b>Calls may be revoked or postponed</b> | 30. A call may be revoked or postponed at the discretion of the Board.   |
| <b>Liability of Joint holders</b>        | 31. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.  |
| <b>Directors may extend time</b>         | 32. The Board may, from time to time at its descretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who by reason of residence at a distance or other cause the Board may deem are fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.  |
| <b>Calls to carry interest</b>           | 33. If any member fails 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 the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this article shall render it obligatory for the Board to demand or recover any interest from any such member.  |
| <b>Sums deemed to be Calls</b>           | 34. 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 premium, shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of Interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.  |
| <b>Proof on trial</b>                    | 35. On the trial of 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 is 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 that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of directors was present at the Board at which any call was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. |

- Partial Payment not be preclude forfeiture**
36. 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 principle or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- Payment in anticipation of calls may carry interest**
37. 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 respective shares beyond the sums actually called upon 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 as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving to the member three months' notice in writing provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.
- b. No member paying any such sum in advance shall be entitled to voting rights in respect of moneys so paid by him until the same would be but for such payment become presently payable.

#### **LIEN**

- Company to have lien on shares**
38. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such share. The Board may, however, at any time, declare any share to be exempt, wholly or partially from the provisions of this Article.
- As to enforcing lien by sale**
39. For the purpose of enforcing such lien, the Board may sell the share subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
- Application of proceeds of sale**
40. 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 it 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 persons entitled to the shares at the date of the sale.

## FORFEITURE OF SHARES

- |  |  |
|--|--|
| <b>If money payable on shares not paid notice to be given to member</b>              | 41. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call of instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.   |
| <b>Form of notice</b>  | 42. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses aforesaid or 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 instalment is payable, will be liable to be forfeited. |
| <b>In default of Payment shares to be forfeited</b>                                  | 43. 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 instalments, interests 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 share and not actually paid before the forfeiture.   |
| <b>Notice of forfeiture to a member</b>  | 44. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register 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.  |
| <b>Forfeited share to be property of the Company and may be sold etc.</b>            | 45. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.   |
| <b>Member still liable to pay money owing at the time of forfeiture and interest</b> | 46. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine, and the Board may enforce the payment thereof, as it thinks fit.  |
| <b>Effect of forfeiture</b>  | 47. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the Share and all other rights incidental to the share, except only such of those rights as by these Articles re-expressly saved.  |
| <b>Evidence of forfeiture</b>  | 48. 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 therein stated as against all persons claiming to be entitled to the share.

- |  |   |
|--|---|
| <b>Validity of sale under Articles 39 and 45</b>                           | 49. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute any instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase 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.                  |
| <b>Cancellation of share certificates in respect of forfeited shares</b>   | 50. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.   |
| <b>Power to annual forfeiture</b>  | 51. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit.  |
| <b>TRANSFER AND TRANSMISSION OF SHARES</b>                                 |   |
| <b>Register of Transfers</b>   | 52. The Company shall keep a 'Register of Transfer' and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.  |
| <b>Instrument of Transfer</b>  | 53. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act shall be duly complied with in respect of all transfers of shares and the registration thereof.   |
| <b>Instrument of transfer to be completed and presented to the Company</b> | 54. The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of 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 order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company. |
| <b>Transfer books and Register of Members when closed</b>                  | 55. The Board shall have the power on giving not less than seven day's previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the Transfer Books, the Register of Members or Register of Debenture holders at such 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.

**Directors may refuse to register transfer**

56. Subject to provisions of Section 111 of the Act, the Board may, at its own absolute discretion and without assigning any reason, decline to register or acknowledge any transfer of shares whether fully paid or not (notwithstanding that the proposed transferee be already a member), but in such cases it 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 to register such transfer.

Provided that the registration of a transfer shall not be refused on the ground the transferor being indebted either alone or jointly with any other person or persons to the Company on any account whatsoever except a lien on shares.

57. The Directors may not accept applications for transfer of less than hundred (100) equity shares of the Company, provided, however that these restrictions shall not apply to :

- i. transfer of equity shares made in pursuance of a statutory order or any order of a competent court of law.
- ii. transfer of entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to single or joint names.
- iii. transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deed(s), one or more of them relating to transfer of less than hundred (100) equity shares.

Providing that where a member is holding shares in lots higher than the transferable units of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor notwithstanding that the residual holding would be below hundred (100).

- iv. transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of an issue of bonus and/or right shares, or any shares resulting from conversion of debentures.
- v. the Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or any order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable / marketable lots, subject, however, to verification by the Company.

**Notice of application when to be given**

58. Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

<b>Death of one or more joint holders of shares</b>	59. 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 survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such 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.
<b>Title of shares of deceased members</b>	60. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons recognised 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 a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or 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, the Board 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 and under Article 62 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.
<b>No transfer to infant etc.</b>	61. No share shall in any circumstances be subscribed for by, or transfer to, any infant, minor, insolvent or person of unsound mind.
<b>Registration of persons entitled to shares otherwise than by transfer</b>	62. Subject to the provisions of the Act and Articles 58 and 59 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence, that he sustains the character in respect of which he proposes to act under this Article or of such 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 holder 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.
<b>Persons entitled may receive dividend without being registered as member</b>	63. A person entitled to a share by transmission shall, subject to the right of the Board to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for, any dividends or other monies payable in respect of the shares.
<b>Fee on transfer or transmission</b>	64. No fee shall be charged by the Company for the following : Viz : a. for registration of transfers of shares and debentures, or for transmission of shares and debentures

- b. for sub-division and consolidation of shares and debenture certificates and for sub-division of letters of allotment, split, consolidation, renewal and transfer receipts into denominations corresponding to the market units of trading:
- c. for sub-division of renounceable letters of right :
- d. for registration of any power of attorney probate, letters of administration or other legal representation.

**Company not liable for disregard of a notice prohibiting registration of a transfer**

65. To Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said share, 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 refer thereto, in any book of the Company and the Company shall, not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to it 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.

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

**Copies of Memorandum and Articles of Association to be sent by the Company**

66. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee one for such copy.

#### BORROWING POWERS

**Power to borrow**

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

**Payment or repayment of moneys borrowed**

68. Subject to the provisions of Articles 67 hereof, the payment or re-payment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution shall prescribe including by the issue of debentures or debenture - stock of the company charged upon all or any part of the property of the Company (both present and future), including its uncalled 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.



- |  |   |
|--|---|
| <b>Form of issue of debentures</b>             | 69. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures, debenture-stock, loan, loan-stock with the right to conversion into or allotment of shares shall be issued only with the consent of the company in General meeting accorded by a Special Resoultion. |
| <b>Register of mortgages etc. to be kept</b>   | 70. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of Sections 118, 123 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fail to be complied with by the Board.  |
| <b>Register and Index of Debenture holders</b> | 71. The Company shall, if any time it issues debentures, keep a Register and Index of debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a branch Register or Debenture holders resident in that State or Country.   |

#### CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- |  |  |
|--|--|
| <b>Share may be converted into Stock</b> | 72. The Company in General Meeting may convert any paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination. |
| <b>Rights of Stock holders</b>           | 73. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.  |

#### MEETINGS OF MEMBERS

- |   |  |
|---|--|
| <b>Annual General meeting, Annual summary</b> | 74. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the |
|---|--|

next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any General Meeting may be held. 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 of the Company or at some other place within the city in which the office of the company is situated as the Board may determine and the Notices 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 of the Company 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 apart of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and Audited Statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' Shareholdings which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Section 159, 161 and 220 of the Act.

- |  |   |
|--|---|
| <b>Extra-ordinary General meeting</b>  | 75. 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 carries the right of voting in regard to the matter in respect of which the requisition has been made.   |
| <b>Requisition of members to state object of meeting</b>   | 76. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the Office provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.   |
| <b>On receipt of requisition, Directors to call meeting and in default requisitionists may do so</b> | 77. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the 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 requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either cause, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid. |
| <b>Meeting called by requisitionists</b>   | 78. 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 meetings are to be called by the Board.  |

**Twenty-one days  
notice of meetings  
to be given**

79. Twenty-one days' notice atleast of 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 thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an annual General Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other meeting, with the consent of members holding not less than ninetyfive percent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, 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 Sheets and Reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other meeting, in any event 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 item of special business relates to, or affects any other Company, the extent of shareholding interest in 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 interests is not less than twenty percent of the paid up share capital of that other Company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement.

**Omission to give  
notice not to invalidate  
a resolution passed**

80. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

**Meeting not to transact  
business not mentioned  
in Notice**

81. 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.

**Quorum at General  
meeting**

82. Five members present in person shall be quorum for a General Meeting.

**Body Corporate  
deemed to be  
personally present**

83. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

**If quorum not  
present, meeting  
to be dissolved  
or adjourned**

84. If, at the expiration of 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, shall stand dissolved, but in any other case, the meeting shall stand adjourned to the same day in the next week or, if that day is a 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 in the city or town in which the Office of the Company is for the time being situate, as the Board may determine, and if at such adjourned meeting quorum is not present at the expiration of half an hour from the time appointed for holding the meeting the members present shall be a quorum, and may transact the business for which the meeting was called.

- Chairman of General Meeting** 85. The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the Chair then the Managing Director shall be entitled to take the Chair and failing him the Directors present may choose one of their number to be the Chairman of the Meeting. If no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of their number to be the Chairman.
- Business confined to election of Chairman while chair vacant** 86. No business shall be discussed at any General meeting except the election of a chairman while the chair is vacant.
- Chairman with consent may adjourn meeting** 87. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in Chennai, 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.
- Questions at General Meeting how decided** 88. 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,) demanded by atleast five members having the right to vote on the resolution and present in person or by proxy or by the Chairman of the meeting or by any member or members 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 has been paid-up which is not less than one-tenth of the total sum paid-up on all the shares conferring that right, and unless a poll is 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 a entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
- Chairman's casting vote** 89. In the case of an equality of votes, the Chairman shall both on a show of hands are at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.
- Poll to be taken if demanded** 90. If a poll is demanded as aforesaid the same shall, subject to Article 92, be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval of adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for the poll may be withdrawn at any time by the person or persons who made the demand.
- Scrutineers at poll** 91. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an Officer or employee of the Company) present at the meeting, provided



such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from Office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

- In what case, poll taken without adjournment** 92. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith.
- Demand for poll not to prevent transactions of other business** 93. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

#### VOTE OF MEMBERS

- Members in arrears not to vote** 94. No member shall be entitled to vote, either personally or by proxy, at any General Meeting 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 calls or other sums presently payable by him have not been paid, or in regard to which the company has and has exercised any right of lien.
- Number of votes to which member entitled** 95. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions on 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 in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
- Casting of votes by a member entitled to more than one vote** 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.
- Votes of joint members** 97. 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 a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto and, if more than one of such joint holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register 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 stand shall for the purpose of these Articles be deemed joint holders thereof.
- Voting in person or by proxy** 98. 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 187 of the Act, and such representative shall be entitled to exercise the same rights

and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

- |   |   |
|---|---|
| <b>Votes in respect of shares of deceased and insolvent member</b>      | 99. Any person entitled under Article 62 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. |
| <b>Appointment of proxy</b>   | 100. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an Officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.  |
| <b>Proxy either for specified meeting or for a period</b>               | 101. 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 of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.   |
| <b>Proxy to vote only on a poll</b>                                     | 102. A member present by proxy shall be entitled to vote only on a poll.  |
| <b>Deposit of instrument of appointment</b>                             | 103. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notorally certified copy of that power of authority, shall be deposited at the Office not later than fortyeight hours before the time for holding the meeting at which the person named in instrument proposes to vote, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.  |
| <b>Form of Proxy</b>  | 104. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.   |
| <b>Validity of votes given by proxy notwithstanding death of member</b> | 105. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, a 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 or insanity revocation or transfer shall have been received at the Office before the meeting.   |
| <b>Time for objections of votes</b>                                     | 106. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.  |
| <b>Chairman of the meeting to be judge of validity of any vote</b>      | 107. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.  |

**Certain matters to be exercised by special resolution**

108. The Company shall not do or cause to be done any of the following acts or things except by means of a Special Resolution passed by the Company in General Meeting :

- a. Amendment to the Memorandum and Articles of Association.
- b. Increase and/or decrease of Capital :
- c. Issuance of new shares :
- d. Issuance of debentures :
- e. Assignment, transfer, sale of other dispositions of whole or part of the business, including goodwill :
- f. Merger with other entities :

Any resolution under the provisions of these Articles or the Act is permitted or required to be passed by the Company in General Meeting shall, unless the Articles or the Act expressly required such matters to be passed by a Special Resolution, be passed as an Ordinary Resolution.

**Minutes of General Meeting and inspection thereof by members**

109. a. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned. Entries thereof in books kept for that purpose with their pages consecutively numbered.

b. Each page of every such book shall be initialled or signed and the last page or the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

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

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

e. All appointments of Officers made at any meeting as aforesaid shall be included in the minutes of the meeting.

f. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting :-

- i. is or could reasonably be regarded as, defamatory of any person, or
- ii. is irrelevant or immaterial to the proceedings, or
- iii. is detrimental to the interests of the Company.

The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

g. Any such minutes shall be evidence of the proceedings recorded therein.



- h. The book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such period not being less in the aggregate than two hours in such day as the Directors determine, to the inspection by any member without charge.

## DIRECTORS

**Number of Directors** \*110. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 259 of the Act, the number of Directors (including the Managing Director, Nominated Director and Nominee Director but excluding Debenture and Alternate Directors) shall not be less than three nor more than twelve

**Nominated Directors** 111. a. Subject to the provisions of Sections 255, 256, 257 of the Act and Article 110.

i) So long as LIS and/or its nominees hold not less than thirty percent (30%) of the total number of issued shares, LIS shall be entitled to nominate three Directors on the Board, two of whom shall not be liable for retirement by rotation.

ii) So long as KOKUSAN DENKI CO. LTD., holds not less than fifteen percent (15%) of the total number of issued shares, it shall be entitled to nominate two Directors on the Board, one of whom shall not be liable for retirement by rotation.

The nominated Directors shall hold office at the pleasure of Lucas Indian Service Ltd., and/or its nominees, and Kokusan Denki Co. Ltd., and/or its nominees as the case may be.

b. The first directors of the company shall be :

1. Shri T. Narayana Rao
2. Shri K.V. Raghavan.

The first Directors of the Company shall retire at its First Annual General Meeting.

**Appointment of Nominee Director by ICICI, IDBI, IFCI etc.** 112. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the company to the Industrial Development Bank of India (IDBI) Industrial Finance Corporation of India (IFCI) The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Bank of India (IRBI), Life Insurance Corporation of India (LIC) Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited (OIC), The New India Assurance Company (NIA), United India Insurance Company Limited (UII), or a State Financial Corporation or any Financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Article referred to as "the Corporation") out of any loans/

\* as per Special Resolution passed at the Annual General Meeting held on 31st August 2009.

debenture assistance granted by them to the Company or so long as the corporation holds or continues to hold Debentures / Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or directors, whole time, or non wholetime, which director or Directors is/are hereinafter referred to as "Nominee Director/s" on the Board of Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

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

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

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

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

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission, and monies as may be approved by the Corporation.

- |  |  |
|--|--|
| <b>Debenture Directors</b>                     | 113. If it is provided by the Trust Deed, securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation.   |
| <b>Appointment of alternate Director</b>       | 114. The Board may appoint an Alternate Director who is recommended for such appointment by a Director (hereinafter called "the original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible by the original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director. |
| <b>Directors' power to add to the Board</b>    | 115. Subject to the provisions of Sections 260, 261 and 264 the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of director shall not at any time exceed the maximum fixed under Article 110. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.  |
| <b>Directors' power to fill casual vacancy</b> | 116. Subject to the Provisions of Sections 261, 264 and 284 (6) the Board shall have power at any time and from time to time to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.  |
| <b>Qualification of Directors</b>              | 117. A director shall not be required to hold any share qualification.   |
| <b>Remuneration of Directors</b>               | 118. a. Subject to the provisions of the Act, a Managing Director or a Director, who is in the whole time employment of the company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.   |

- b. Subject to the provisions of the Act, a Director, who is neither in the wholetime employment nor a Managing Director may be paid remuneration either:
  - i. By way of monthly, quarterly or annual payment with the approval of the Central Government; or
  - ii. By way of commission if the Company by a special Resolution authorise such payment.
- c. The fee payable to a Director for attending a Meeting of a Board or a Committee thereof, shall be fixed by the Board of Directors within the maximum permissible amount under the Companies Act and Rules in force.

**Travelling expenses incurred by Director not a bonafide resident or by Director going out on company's business**

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

**Special remuneration for extra services rendered by a Director**

120. If any Director is called upon to render extra services or undertake special efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors) the Board may arrange with such Directors for such special remuneration for such extra services or special efforts either by a fixed sum or otherwise as may be determined by the Board and the said remuneration may be either in addition to or in substitution of the remuneration otherwise provided.

**Director may act notwithstanding any vacancy**

121. The continuing Directors may act notwithstanding any vacancy in their body; but if and so long as their number is reduced below the minimum number fixed by Article 110 thereof, the continuing Directors not being less than two, 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.

**When office of a Director to become vacant**

122. Subject to Sections 283 (3) and 314 of the Act, the office of a Director shall become vacant if :

- a. he is found to be unsound mind by a court of competent jurisdiction ; or
- b. he applies to be adjudicated an insolvent ; or
- c. he is adjudged an insolvent; or
- d. he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months fixed from the date of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

- e. he absents himself for three consecutive meeting of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, or
- f. he becomes disqualified by an order of the court under Section 203 of the Act, or
- g. he is removed in pursuance of Section 284 ; or
- h. he (whether by himself or by any person for his benefit or on this account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act ; or
- i. he acts in contravention of Section 299 of the Act ; or
- j. he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- k. having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the company ; or
- l. he resigns his office by a notice in writing addressed to the Company.

**Director may contract  
with company**

123. a. A Director or his relative, a firm in which such Director or relative is a partner, any other partner in such firm or a private company of which the Director is a Member or Director may enter into any contract with the company for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any shares in, or debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act and no such contract shall be entered into except with the previous approval of the Central Government.
- b. No such sanction shall however be necessary for :
- i. any purchase of goods and materials from the Company or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private Company as aforesaid for cash at prevailing market prices or
  - ii. any contract or contracts between the Company on one side and any such Director, relative, firm partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative firm, partner or private company, as the case may be, regularly trades or does business where the value of goods and materials are the cost of such services does not exceed Rs.5,000/- in the aggregate in any year comprised in the period of contract or contracts.



PROVIDED that in circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may, without obtaining the consent of the Board, enter into any such contracts with the Company for sale, purchase or supply of any goods, materials or services, even if the value of such goods or the cost of such services exceeds Rs.5,000/- in the aggregate in any year comprised in the period of the contract if the consent of the Board is obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

- Disclosure of interest** 124. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board 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 arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold more than two percent of the paid-up share capital in any such other Company.
- General notice of interest** 125. A General Notice given to the Board by the Directors to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract arrangements 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 it is given at a Meeting of the Board and the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- Interested Directors not to participate or vote in Board proceedings** 126. No Director shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does not vote, his vote shall be void ; provided however, that nothing herein contained shall apply to ;
- a. any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.
  - 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 or holding not more than two percent of its paid up share capital.

<b>Register of Contracts in which Directors are interested</b>	127.	The Company shall keep a Register in accordance with Section 301 (1) and shall within the time specified in Section 301(2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 125. The Register shall be kept at the Office of the Company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.
<b>Directors may be Directors of Companies promoted by the Company</b>	128.	A Director may be or become a Director of any company promoted by the company or of any Company in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or Shareholder of such company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.
<b>Retirement and rotation of Directors</b>	129.	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 nearest to one third shall retire from office.
<b>Ascertainment of Directors retiring by rotation and filling of vacancies</b>	130.	Subject to Section 256 (2) of the Act, the Directors to retire by rotation under Article 129 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.
<b>Eligibility of re-election</b>	131.	A retiring Director shall be eligible for re-election.
<b>Company to appoint successors</b>	132.	Subject to Sections 258 and 261 of the Act the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.
<b>Provision in default of appointment</b>	133.	<ul style="list-style-type: none"> <li>a. If the place of the retiring director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place.</li> <li>b. 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</li> </ul>



vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless :

- i. at the meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meeting and lost.
- ii. the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed.
- iii. he is not qualified or disqualified for appointment
- iv. a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act or
- v. a resolution, whether special or ordinary, is required for the applicable to the case.

<b>Company may increase or reduce the number of Directors</b>	134. Subject to Section 259 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another 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.
<b>Notice of candidate for office of Director except in certain cases</b>	135. <ol style="list-style-type: none"><li>a. No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office.</li><li>b. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 257 of the Act signifying his candidature for the Office of a Director) proposed as a candidate for the Office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.</li><li>c. A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the company, unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.</li></ol>
<b>Register of Directors, etc and notification of change to Registrar</b>	136. <ol style="list-style-type: none"><li>a. The Company shall keep at its Office a Register containing the particulars of Directors, Managers, Secretaries, and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.</li></ol>
<b>Register of Shares or Debentures held by Directors</b>	<ol style="list-style-type: none"><li>b. The Company shall in respect of each of its Directors also keep at its office a Register, as required by Section 307 of the Act, shall otherwise duly comply with the provisions of the said Section in all respects.</li></ol>

- |  |         |   |
|--|---------|---|
| <b>Disclosure by Director of appointment to any body corporate</b>                           | 137. a. | Every Director (including a person deemed to be a Director by virtue of the explanation to sub-section (1) of Section 303 of the Act) Managing Director, Manager or Secretary of the Company, shall within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act. |
| <b>Disclosure by a Director of his holdings of shares and debentures of the Company etc.</b> | b.      | Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.   |

#### MANAGING DIRECTOR

- |                                  |      |  |
|----------------------------------|------|--|
| <b>Managing Director</b>         | 138. | Subject to the Provision of Sections 267, 269, 309, 310, 311, 316 and 317 and other applicable provisions of the Act.  |
|                                  | a.   | The Board may from time to time appoint one of their body to the Office of Managing Director. The Managing Director shall be a nominee of Lucas Indian Service, In the event of any vacancy arising in the Office of the Managing Director, the vacancy shall be filled by the Board of Directors and the Managing Director so appointed shall hold the office for such period as the Board of Directors may fix.  |
|                                  | b.   | The person appointed as Managing Director shall not be liable for retirement by rotation.  |
|                                  | c.   | A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Company in General meeting may from time to time determine, subject to the approval of the Central Government.   |
|                                  | d.   | The Board may, from time to time, entrust to and confer upon the Managing Director for the time being, such of the powers exercisable under these presents by the Board as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf; and may, from time to time, revoke, withdraw, alter or vary all or any such powers. |
| <b>Restriction on Management</b> | 139. | The Managing Director shall not exercise the powers to :   |
|                                  | a.   | make calls on shareholders in respect of money unpaid on the shares in the company.  |
|                                  | b.   | issue of Debentures :<br>and except to the extent mentioned in the resolution passed at the Board Meeting under Section 292 of the Act shall also not exercise the power to.   |

- c. borrow money other than debentures;
- d. invest the funds of the Company, and
- e. make loans

**Certain persons not to be appointed Managing Director**

140. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing Director.
- a. is an undischarged insolvent, or has at any time been adjudged an insolvent ;
  - b. suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made, a composition with them or
  - c. is, or has at any time been convicted by a court of an offence involving moral turpitude.

**Special position of Managing Director**

141. The Managing Director of the Company shall not while holding that Office, be subject to retirement by rotation in accordance with Article 129. If he ceases to hold the Office of Director, he shall ipso facto and immediately cease to be Managing Director.

#### PROCEEDINGS OF THE BOARD OF DIRECTORS

**Meetings of Directors**

142. The Directors may meet together as a Board for the despatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

**Notice of Meeting**

143. a. At least fourteen days' notice of every meeting of the Board shall be given in writing to every Director for the time being in India and his usual address in India, to every other Director provided, however that in the case of Directors resident outside India notice of every meeting of the Board shall be given to such Directors at their addresses outside India and to their alternates, if any, in India at their usual address in India. Such notice where given otherwise than by telex as hereinafter provided shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board provided, however that with the consent of all the Directors present in India a meeting of the Board may be convened by a shorter notice in the case of an emergency or if special circumstances so warrant.
- b. Notice of Board meetings to Directors resident outside India shall be given by telex to the number and answer back furnished by them.

**Quorum**

144. Subject to Section 287 of the Act, the quorum of 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 the one third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two, shall be the quorum during such time.

<b>Adjournment of meeting for want of quorum</b>	145. If a meeting of the Board is not held for want of quorum, then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than thirty days from the date originally fixed for the meeting.
<b>when meeting to be convened</b>	146. A Director may, at any time, and the Secretary shall, as and when directed by the Directors to do so, convene a meeting of the Board by giving notice in writing to every other Director for time being in India and at his usual address to every other Director.
<b>Chairman of the Board</b>	147. a. The Chairman of the Board of Directors shall be a nominee of Lucas Indian Service. The Chairman shall be paid such remuneration as the company in General Meeting may determine.  b. The Chairman of the Board shall be entitled to take the Chair at every meeting of the Board. If no Chairman is appointed in pursuance of this Article, or if at any meeting of the Board, he shall not be present within 30 (thirty) minutes of the time appointed for holding such a meeting or if he shall be unable or unwilling to take the Chair, then the Managing Director shall be entitled to take the Chair and, failing him the Directors present may choose one of the number to be the Chairman of the meeting.
<b>Questions at Board Meetings, how decided</b>	148. Questions arising at any meeting of the Board shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or casting vote.
<b>Powers of Board Meeting</b>	149. 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 the Articles of the Company are for the time being vested in or exercisable by the Board generally.
<b>Directors may appoint committees</b>	150. Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke modify or alter the powers or composition of the Committees, but every Committee shall in the exercise of the power so delegated confirm 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 their appointment but not otherwise, shall have like force and effect as if done by the Board.
<b>Meeting of committee, how to be governed</b>	151. The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
<b>Resolution by circulation</b>	152. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the Members of the Committee, then in India not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may

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

**Acts of Board or  
Committee valid  
notwithstanding  
informal  
appointment**

153. 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 director or 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 these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated, provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

**Minutes of Proceedings  
of the meetings  
of the Board**

154. a. The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for the purpose with their pages consecutively numbered.
- b. Each page of every such book shall be initialled and signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- c. In no case shall the minutes of the proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise.
- d. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- e. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- f. The minutes shall also contain :
- i. The names of the Directors present at the meeting; and
  - ii. in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.
- g. Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minute of any matter which, in the opinion of the Chairman of the meeting.
- i. is or could reasonably be regarded as defamatory of any person.
  - ii. is irrelevant or immaterial to the proceeding ; or
  - iii. is detrimental to the interests of the Company.



The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-Clause.

- h. Minutes of the meeting kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

**Powers of  
Directors**

- 155. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act, or by the Memorandum or by the Articles of the Company, require to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulation being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Provided that the Board shall not, except with the consent of the Company in General Meeting :

- a. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.
- b. remit, or give time for the repayment or, any debt due by a Director;
- c. invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- d. borrow monies where the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose.

Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at the meetings of the Board, unless the same be delegated to the extent therein stated ; or

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

**Certain powers  
of the Board**

156. Without prejudice to the general powers conferred by the last preceding article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is here by declared that the Directors shall have the following powers; that is to say power -
- a. To pay the costs charges, and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
  - b. To pay and charge to the Capital account of the Company any commission or interest lawfully payable therefrom under the provisions of Sections 76 and 208 of the Act.
  - c. Subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory ;
  - d. At their discretion and subject to the provisions of the Act, to pay for any property ; rights or privileges acquired by or services, rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid up or with some amount credited as paid up thereon as may be agreed upon ; and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
  - e. To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit ;
  - f. To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed ;
  - g. To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees ;
  - h. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company, or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon ;

- i. To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- j. To make and give receipts, releases and other discharges for moneys payable to the Company and for the Claims and demands of the Company
- k. Subject to the provisions of Sections 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- l. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- m. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- n. To distribute by way of bonus amongst the staff of the Company share or shares in the profits of the company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business of transaction ; and to charge such bonus or commission as part of the working expenses of the Company.
- o. To provide for the welfare of Directors or ex-Directors, of employees or ex-employees of the Company and their wives, widows and families of the dependents or connections of such persons, by building of houses dwelling or chawls, or by grants of money, pension, gratuities, allowances, bonus or other payments or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason or locality of operation, or of public and general utility or otherwise.
- p. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for Depreciation or to Depreciation Fund, or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising

dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investment (other than shares of the Company as they may think fit), and from time to time deal with and vary such investments and dispose of any, 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 their absolute discretion think conducive to the interest of the Company, not with standing that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special Funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the Business of the Company or in the purchase or repayment of 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 their discretion to pay or allow to the credit such Funds interest at such rate as the Board may think proper, not exceeding nine percent per annum.

- q. To appoint, and at their discretion remove or suspend such General Managers, Managers, Secretaries, Assistants, Supervisors, Clerks, Agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration and to require security in such instances and to such amount as they may think fit. Also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- r. To comply with the requirements of any local law which in their opinion it shall, in the interests of the Company, be necessary or expedient to comply with.
- s. From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Board, and to fix their remuneration.
- t. Subject to Section 292 of the Act, from time to time, and at any time, to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board other than their power to make calls or to make loans to borrow moneys, and to authorise

the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

- u. At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also, except within the limits authorised by the Board, the power to make loans to and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board thinks fit) be made in favour of the members of any of the members of any Local Board established as aforesaid or in favour of any company, or the shareholders, Directors, nominees, or manager of any company or firm or otherwise in favour of any body of persons whether nominated directly or indirectly by the Board and any such power of the Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- v. Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- w. From time to time to make, vary and repeal by-laws for the regulation of the business of the Company its officers and servants.

#### MANAGEMENT

**Prohibition of simultaneous appointment of different categories of managerial personnel**

157. The company shall not appoint or employ at the same time the following categories of the managerial personnel, namely :
- a. Managing Director ; and
  - b. Manager.

#### SECRETARY

**Secretary**

158. The Directors shall from time to time appoint, and, at their discretion, remove the Secretary. The Directors may also at any time appoint such person (who need not be the Secretary) to keep the registers required to be kept by the Company.



## THE SEAL

- The seal, its custody and use** 159. a. The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the 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 committee of the Board previously given.
- b. The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

- Deeds how executed** 160. Every deed or other instrument, to which seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of the Share Certificate, the Seal shall be affixed in accordance with Article 19(a).

## DIVIDENDS

- Division of profits** 161. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

- The Company in General Meeting may declare a dividend** 162. The Company in General meeting may declare dividends out of profits of any financial year or previous financial years to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, though the Company in General Meeting may declare a smaller dividend.

- Dividends only to be paid out of profits** 163. 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 Section 205 of the Act or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that;

If the Company has not provided for depreciation for any previous financial year or years, it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year (for which the dividend is) or those years whichever is less, shall be set off against the profits of the Company for the year for 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 sub-section (2) of Section 205 of the Act or against both.

- b. Notwithstanding anything contained in sub-clause (1) hereof, no dividend shall be declared or paid by the Company for any financial year out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (a) hereof except after the transfer to the reserves of the Company of such percentage of its profits for that year not exceeding ten percent as may be prescribed under the Act.

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

- c. Where owing to inadequacy or absence of profits in any year, the company proposes to declare dividend out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf and where any such declaration is not in accordance with such rules such declaration shall not be made except with the previous approval of the Central Government.

<b>Interim dividend</b>	164. The Board may from time to time, pay the members such interim dividend as in their judgement the position of Company justifies.
<b>Capital paid up in advance at interest not to earn dividend</b>	165. Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.
<b>Dividends in proportion to amount paid-up</b>	166. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid ; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.
<b>Retention of dividends until completion of transfer under Article 62</b>	167. Subject to the provisions of the Act, the Board may retain the dividends payable upon shares in respect of which any person is under Article 62 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.
<b>Dividend etc to joint holders</b>	168. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or Bonus or other moneys payable in respect of the shares.
<b>No member to receive dividend while indebted to the Company and the Company's right of reimbursement thereout</b>	169. No member shall be entitled to receive payment of any interest or dividends in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise, either along or jointly with any other person or persons and the Board may deduct from the interests or dividend payable to any member all sums of money so due from him to the Company.

- |  |   |
|--|---|
| <b>Transfer of shares must be registered</b> | 170. A transfer of shares shall not give rise to a right to any dividend declared before the registration of the transfer.  |
| <b>Dividend how remitted</b>                 | 171. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the register in respect of the joint-holdings. Every such cheque or warrant shall be made payable to the order of the persons to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip 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 payslip or receipt or the fraudulent recovery of the dividend by any other means. |
| <b>Unclaimed dividend</b>                    | 172. No unclaimed dividend shall be forfeited by the Board and dividends unclaimed will be dealt within the provisions of Sections 205A and 205B or other provision if any of the Act as may be applicable from time to time.   |
| <b>No interest on dividend</b>               | 173. Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.   |
| <b>Dividend and call together</b>            | 174. Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the members, be set off against the calls.   |

#### CAPITALISATION

- |                       |  |
|-----------------------|--|
| <b>Capitalisation</b> | 175. a. The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve 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 capitalised and distributed among such of share holders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such share-holders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the company which shall be distributed accordingly or 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 interests in the said capitalised 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 of any unissued shares to be issued to members of the Company as fully paid bonus shares. |
|-----------------------|--|

- b. A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investment representing the same, or any other undistributed profits of the company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.
- c. For the purpose of giving effect to the resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction or less value than Rs.10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specified assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the register for registration in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

#### ACCOUNTS

**Directors to keep  
true accounts**

176. a. The Company shall keep at its Office or at such other place in India as the Board thinks fit proper Books of Accounts in accordance with Section 209 of the Act with respect to:
- i. all sums of moneys received and expended by the Company and matters in respect of which the receipts and expenditure take place.
  - ii. all sales and purchase of goods by the company; and
  - iii. the assets and liabilities of the Company.
- b. Where the Board decides to keep all or any of the Books of Account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
- c. The Company shall preserve in good order the Books of Account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
- d. Where the Company has a branch office whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transaction effected at the branch office are kept at the branch office and proper summarised return, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its Office or other place in India at which the Company's Books of Accounts are kept as aforesaid.

- e. The Books of Account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Accounts and other books and papers shall be open to inspection by any Directors during business hours.

**As to inspection of Accounts or books by members**

177. The Board shall from time to time determine whether and to what extent and at what time 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 members not being Directors and no member (not being a Director) shall have any right of inspecting any accounts of books or document of the Company except as conferred by law or authorised by the Board.

**Statement of accounts to be furnished to General meeting**

178. The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as are required by these sections.

**Copies shall be sent to each member**

179. A copy of every such Profit and Loss Account and Balance sheet (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance sheets), shall at least twenty-one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company to holders of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof) to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meetings of the Company.

#### AUDIT

**When accounts to be deemed finally settled**

180. Every Balance sheet and Profit and Loss Account of the Company when audited and adopted by the company at Annual General Meetings shall be conclusive except as regards any mistake or error discovered therein. Whenever any such mistake or error is discovered, the Balance sheet and Profit and Loss Account shall be corrected by the Board at a meeting of the Board and shall thereafter be conclusive.

#### DOCUMENTS AND NOTICES

**Service of documents or notices**

181. a. A document or notice may be served or given by the Company or any member either personally or by sending it by post to the member to his or its registered address or (if the member 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 or it provided however that all such documents or notices shall in the case of Collaborator, be served or given by the Company by sending them by post to M/s. Kokusan Denki Co. Ltd. Japan.
- 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 document or notice, provided that where a member has intimated to the Company in advance that documents or notice should be sent to him under certificate of posting or by registered post with or without acknowledgement due and is deposited with the Company a sum sufficient to defray the



expense 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, such service shall be deemed to have been effected in the case of a Notice of a Meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of the post.

- |   |  |
|---|--|
| <b>Advertisement</b>  | 182. 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 day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company and address within India for the serving of documents on or the sending of notices to him.   |
| <b>On Joint holders</b>   | 183. A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holders named first in the Register of Members in respect of the shares.  |
| <b>On personal representatives etc.</b>   | 184. A document or notice may be served or given by the Company on or to the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in the prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by service the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred. |
| <b>To whom documents or notices to be served or given</b>                             | 185. Documents or notices of every General Meeting shall be served or given in the same manner herein before authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor or auditors for the time being of the Company.  |
| <b>Members bound by documents given, to be served on or given to previous holders</b> | 186. 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 derives his title to such shares.  |
| <b>Document or notice by Company and signature thereto</b>                            | 187. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.  |
| <b>Service of documents or notices by members</b>                                     | 188. All documents or notices 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 Office at the office by post under a certificate of posting or by registered post or by leaving it at the Office.   |

#### WINDING UP

- |   |  |
|---|--|
| <b>Liquidator may divide assets in specie</b> | 189. The liquidator on 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 contributories |
|---|--|

in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator with like sanction shall think fit.

#### INDEMNITY AND RESPONSIBILITY

**Directors' and  
others' right  
of indemnity**

190. Every Office or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings whether civil or criminal, in which judgement is given in his favour or in which is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

#### SECURITY CLAUSE

**Security clause**

191. a. Every Director, Manager, Auditor, Treasurer, Trustee, member of the Committee, Officer, Servant, Agent, Accountant or other persons employed or engaged for the business of the Company, shall, if so required, by the Directors, before entering upon duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company 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 to do so by the Directors or by law or by the person to whom such matters relate except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- b. No member shall be entitled to visit any works of the Company without permission of the Directors or to require discovery of or any information respecting details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be in expedient in the interests of the Company to disclose.

---

Names, Addresses, Occupations  
and description of the subscribers

---

Names, Address, Occupation  
and description of witnesses

---

(Sd) K.V. Raghavan  
K.V. Raghavan  
Consulting Engineer  
S/o. Sri. T.R. Krishnamachari  
No.7, Crescent Park Street  
T Nagar  
Chennai 600 017.

(Sd) H LAKSHMANAN  
H Lakshmanan  
Company Executive  
S/o Sri S Harihara Iyer  
4 Bhaskarapuram  
Chennai 600 004.

(Sd) T.R. SOWMIAMURTHY  
T R Sowmiamurthy  
Company Executive  
S/o Sri T S Srinivasa Iyengar  
2 N S Colony Street  
Chennai 600 053.

(Sd) K NARASIMHAN  
K Narasimhan  
Company Executive  
S/o Sri S Krishnaswami  
2 Narayani Ammal Street  
Mahalingapuram  
Chennai 600 034.

---

Dated at Chennai this 7th Day of June 1984.