

# **DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING**

## **ARTICLES OF ASSOCIATION**

THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
(Incorporated under the Companies Act, 1956)

## **ARTICLES OF ASSOCIATION OF BHARAT SEATS LIMITED**

### **PRELIMINARY**

1. The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith:

"The Act" means the Companies Act, 2013, and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force.

"These Articles" means articles of association for the time being in force.

"The Board of Directors" or the "Board" means the board of directors for the time being of the Company.

"The Chairman" means the chairman of the Board of Directors for the time being of the Company.

"The Chairperson" means the chairperson of the general meeting or a committee of the Board, as the case may be.

"The Company" means BHARAT SEATS LIMITED.

"The Directors" means the directors for the time being of the Company and include any person occupying the position of director by whatever name called.

"The Managing Director" or the "Managing Directors" means or mean the managing director or the managing directors, as the case may be, for the time being of the Company.

"The Office" means the registered office for the time being of the Company.

"The Register" means the register of members of the Company required to be kept pursuant to the Act.

"The Registrar" means the Registrar of Companies, Delhi & Haryana.

"The Secretary" means the secretary for the time being of the Company appointed by the Board in accordance with the provisions of the Act.

"Capital" means the capital for the time being raised or authorised to be raised for the purposes of the Company.

"Dividend" includes any interim dividend.

"Executor" or "Administrator" means a person who has obtained probate or letters of administration, as the case may be, from some competent court.

"Paid up capital" includes capital credited as paid.

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

"Persons" include any company or association or body of individuals, whether incorporated or not but does not include a firm.

"Month" means calendar month.

"Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

"Seal" means the Common seal of the Company.

"Secretarial Standards" means the secretarial standards specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980, and approved as such by the Central Government.

"Shares" means the equity shares issued by the Company from time to time, forming part of the equity share capital of the Company and the word "Share" shall be construed accordingly.

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

Words importing the singular number only shall include the plural number also and vice-versa.

Words importing the masculine gender only shall include the feminine gender.

Subject to the aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

## 2.

### ***Table F not to apply***

Save as reproduces herein the regulations contained in Table "F" in the Schedule I of the Act shall not apply to the Company.

## **Share capital and Variation of rights**

### ***3. Authorised Share Capital and Shares under control of Board***

The authorized share capital of the Company is as mentioned in Clause V of the memorandum of association of the Company. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

### ***4. Directors may allot shares otherwise than for cash***

Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued,

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

**5. Power to issue Sweat equity shares** The Company may issue Sweat equity shares to employees or Directors subject to the conditions specified in the Act.

**6. Issue of certificate** (1) Every person whose name is entered as a member in the Register shall be entitled to receive after allotment or the date of receipt by the Company of the application for the registration of transfer or transmission or within such period as may be prescribed:  
(a) one certificate for all his shares; or  
(b) several certificates, each for one or more of his shares.

**One certificate for shares held jointly** (3) In respect of any share or shares held jointly by several persons, the Company the shares shall be issued as per the prevailing law.

**7. Option to receive shares** A person subscribing to shares offered by the Company shall be issued shares as per the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

**8. Issue of new certificate in place of one defaced, lost or destroyed** If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given.

**9. Power to pay Commission in connection with securities issues** i) The Company may exercise the powers of paying commissions conferred by the Act provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules made thereunder.  
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.  
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

**10. Variation of members' rights** (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of shareholders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class as prescribed under the Act.

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

(ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

## **11. Issue of further shares not to affect rights of existing members**

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

## **12. Power to issue redeemable preference shares**

Subject to the provisions of the Act, the Board shall have the power to issue preference shares of one or more classes which are liable to be redeemed on such terms and in such manner as determined by the Board in accordance with the Act and the Rules made thereunder.

## **13. Further issue of share capital**

The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to-

(a) persons who, at the date of offer, are holders of equity shares of the Company. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

(b) employees under any scheme of employees' stock option; or

(c) any persons, whether or not those persons include the persons referred to in Article 14(a) or Article 14(b) above.

## **14. Mode of further issue of shares**

Further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

### **Lien**

## **15. Company's lien on Shares**

(1) The Company shall have a first and paramount lien-

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company: Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

## **DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING**

- Lien to extend to dividends etc.*** (2) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- Waiver of lien in case of registration*** (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
- Enforcing lien by sale*** (4) The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made-
- (a) unless a sum in respect of , which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 16. Validity of sale*** (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- Purchaser to be registered holder*** (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- Purchaser not affected*** (3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- Application of proceeds of sale*** (4) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- Payment of residual money*** (5) The residue, if any, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
- Outsider's lien not to affect Company's lien*** (6) In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
- Provisions as to lien to apply mutatis mutandis to debentures, etc.*** (7) The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

## *Calls on share*

### **17. Board may make calls**

(1) In accordance with the Act and the Rules thereunder, the Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

### **Notice of Call**

(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

### **Board may extend time for repayment**

(3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

### **Revocation postponement of call**

(4) A call may be revoked or postponed at the discretion of the Board.

### **18. Call to take effect from date of resolution**

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

### **19. Liability of joint holders of shares**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof

### **20. When interest on call or installment payable**

(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

### **21. Sums deemed to be calls**

(1) 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 purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

### **Effect of non-payment of such sums**

(2) In case of non-payment of such sum, 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.

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

**22. Payment in anticipation of calls may carry interest** The Board-

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate, as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

## **Transfer of shares**

**23. Transfer of Shares** Transfer of shares shall be carried out in accordance with the provisions of the Companies Act, 2013 and SEBI regulations, as applicable from time to time.

**24. Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.** The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

## **Transmission of Shares**

**25. Title to shares on death of a member** (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

**Estate of deceased member liable** (2) Nothing in Article 29(1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**26. Transmission** (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.

**Board's or committee's right unaffected** (2) The Board or committee thereof shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**27. Right to election of holder of share** (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or



# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

send to the Company a notice in writing signed by him stating that he so elects.

## ***Manner of testifying election***

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

## ***Limitations applicable to notice***

(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

## ***28. Claimant to be entitled to same advantage***

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

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

## ***29. Provisions as to transmission to apply mutatis mutandis to debentures, etc.***

The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

## **Forfeiture of shares**

## ***30. If call or installment not paid notice must be given***

If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board or committee thereof may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

## ***31. Form of notice***

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and



# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

## ***32. In default of payment of shares to be forfeited***

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

## ***33. Receipt of part amount or grant of indulgence not to affect forfeiture***

Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture

## ***34. Entry of forfeiture in register of members***

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

## ***35. Effect of forfeiture***

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

## ***36. Forfeited shares may be sold, etc.***

(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board or committee thereof thinks fit.

## ***Cancellation of forfeiture***

(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board or committee thereof may cancel the forfeiture on such terms as it thinks fit.

## ***37. Members still liable to pay money owing at the time of forfeiture***

(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

## ***Member still liable to pay money owing at time of forfeiture and interest***

(2) All such monies payable shall be paid together with interest thereon at such rate as the Board or committee thereof may determine, from the time of forfeiture until payment or realization. The Board or committee thereof

## **DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING**

may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

***Cesser of liability***

(3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

***38. Certificate of forfeiture***

(1) A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

***Title of purchaser and transferee of forfeited share***

(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

***Transferee to be registered as holder***

(3) The transferee shall thereupon be registered as the holder of the share; and

***Transferee not affected***

(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

***39. Validity of sales***

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board or committee thereof may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

***40. Cancellation of share in respect of forfeited shares***

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the share(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board or committee thereof shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

***41. Surrender of share***

The Board or committee thereof may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

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

**43. Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.** The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

## Alteration of capital

**44. Power to alter share capital** Subject to the provisions of the Act, the Company may, by passing, necessary resolution,-

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares Or any of them into shares of smaller amount than is fixed by the memorandum; and
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**45. Shares may be converted into stock** Where shares are converted into stock:  
(a) the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same Articles under which; the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

## Right of stockholders

(b) 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 meetings 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 on winding up) shall be conferred by an amount of stock which would

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

not, if existing in shares, have conferred that privilege or advantage;

(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/ "member" shall include "stock" and "stock-holder" respectively.

## ***46. Reduction of capital***

The Company may, by resolution as prescribed by the Act and the Rules, reduce in any manner and in accordance with the provisions of the Act and the Rules,

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account.

## **Joint Holders**

## ***47. Joint-holders***

Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

## ***Liability of Joint- holders***

(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

## ***Death of one or more joint-holders***

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

## ***Receipt of one sufficient***

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

## ***Delivery of certificate and giving of notice to first named holder***

(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

## ***Vote of joint-holders***

(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

## ***Executors or administrators as joint holders***

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

## ***Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.***

The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

## ***Capitalization of profits***

### ***48. Capitalization***

(1) The Company in general meeting may, upon the recommendation of the Board, resolve-

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in Article 52(2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

### ***Sum how applied***

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 52(3) below either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in Article 52(2)(a) and partly in that specified in Article 52(2)(b);

(d) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; or

(e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

### ***Powers of the Board for capitalization***

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall -

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

all allotments and issues of fully paid shares, if any; and  
(b) generally do all acts and things required to give effect thereto.

**Board's power to issue fractional certificate/coupon etc.**

(2) The Board shall have power-  
(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and  
(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.

**Agreement binding on members**

(3) Any agreement made under such authority shall be effective and binding on such members.

## **Buy-back of shares**

**49. Buy-back of shares**

Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other Jaw for the time being in force, the Company may purchase its own shares or other specified securities.

## **General meeting**

**50. Extraordinary general meeting**

All general meetings other than annual general meeting shall be called extraordinary general meeting.

**51. Powers of Board to call extraordinary general meeting**

The Board may, whenever it thinks fit, call an extraordinary general meeting.

## **Proceedings at general meetings**

**52. Presence of Quorum**

(1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

**Business confined to election of chairperson whilst chair vacant**

(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

**Quorum for general meeting**

(3) The quorum for a general meeting shall be as provided in the Act.

## **DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING**

- 53. Chairperson of the meetings** The Chairman, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
- 54. Directors to elect a Chairperson** If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one of their members to be Chairperson of the meeting.
- 55. Members to elect a Chairperson** If at any meeting no Director is willing to act as Chairperson or if no Director is present within thirty minutes after the time appointed for holding the meeting, the members present shall on a show of hands or on a poll if properly demanded, elect one of their number to be the Chairperson.
- 56. Casting vote of Chairperson at general meeting** On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
- 57. Minutes of proceedings of meetings and resolutions passed by postal ballot** (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof, in books kept for that purpose with their pages consecutively numbered.
- Certain matters not to be included in Minutes** 2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting-  
(a) is, or could reasonably be regarded, as defamatory of any person; or  
(b) is irrelevant or immaterial to the proceedings; or  
(c) is detrimental to the interests of the Company.
- Discretion of Chairperson in relation to Minutes** (3) The Chairperson shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid Article.
- Minutes to be evidence** (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
- 58. Inspection of minute books of general meeting** 1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:  
(a) be kept at the registered office of the Company; and  
(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
- Members may obtain copy of minutes** (2) Any member shall be entitled to be furnished, within the time prescribed by the Act and the Rules, after he



# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

has made a request in writing in that behalf to the Company and on payment of such maximum fee as may, be provided or indicated under the Act and the Rules , with a copy of any minutes referred to in Article 62(1) above:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

## ***Adjournment of meeting***

- 59. Chairperson may adjourn the meeting*** (1) The Chairperson may, in accordance with the provisions of the Act, Rules and Secretarial Standards, adjourn the meeting from time to time and from place to place.
- Business at adjourned meeting*** (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- Notice of adjourned meeting*** (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- Notice of adjourned meeting not required*** (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## ***Voting Rights***

- 60. Entitlement to vote on show of hands and on poll*** Subject to any rights or restrictions for the time being attached to any class or classes of shares -
- (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
- 61. Voting through electronic means*** A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
- 62. Vote of joint-holders*** (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- Seniority of names*** (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

## **DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING**

**63. How members non compos mentis** A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

**64. Votes in respect of shares of deceased or insolvent members, etc.** Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Article 30 (*Transmission*) to any shares, may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

**65. Business may proceed pending poll** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**66. Restriction on voting rights** (1) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

(2) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting be valid for all purposes.

(3) Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.

**67. Restriction on exercise of voting rights in other cases to be void** A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

**68. Equal rights of Members** Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

### ***Proxy***

**69. Member may vote in person or otherwise** (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

(2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

**70. Form of proxy**

An instrument appointing a proxy shall be in the form as prescribed in the Rules.

**71. Proxy to be valid notwithstanding death of the principal**

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 or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## **Board of Directors**

**72. Number of Directors**

(1) Unless otherwise determined by the Company in the general meeting, the number of Directors shall not be less than three and shall not be more than fifteen. The Company may appoint more than fifteen Directors after complying with the provisions of the Act. The Directors are not required to hold any qualification shares.

**First Directors**

(2) The first three subscribers to the Memorandum of Association in seriatim shall be the First Directors of the Company.

**Appointment of Directors**

(3) The independent Directors shall be appointed as provided under the Act and other regulations.

(4) The Chairman shall be appointed by the Board of the Company. The Chairman shall chair the general meetings of the Company and also the meetings of the Board of Directors of the Company.

(5) Not less than two-thirds of the total number of Directors shall be elected by the Company in general meeting and shall be liable to retire by rotation in accordance with the Act. A retiring Director may be re-elected. A person who is not a retiring Director shall be eligible for appointment in accordance with the Act.

**Managing Director**

(6) The Managing Director, who shall be a non-retiring Director, and shall be the chief executive officer of the Company, who shall be vested with substantial powers of operational management which shall be exercised under the overall superintendence, direction and control of the Board

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

of Directors and subject to the powers exercisable by the Board of Directors.

(7) As provisions of the Act the Board may, from time to time appoint one or more Directors to be Managing Director of Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his place or their places.

(8) As per Act a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may from time to time be sanctioned by the Company.

(9) Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof. the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that 'behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

## ***Remuneration of Director***

(10) The Directors shall be paid such remuneration, salary and allowances as the Company may from time to time determine in accordance with the Act. Additionally, the Board shall determine from time to time the fees which may be paid to Directors for attending Board and committee meetings. Further, Directors shall also be entitled to payment /reimbursement of all reasonable travelling, hotel and other incidental expenses for attending the meetings of the Board, its committees and general meetings and any other business of the Company.

## ***73. Appointment of additional Directors***

(1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

## ***Duration of office of additional Director***

(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

## ***74. Appointment of Alternate Director***

(1) The Board may appoint an alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than

## **DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING**

three months from India. No person shall be appointed as an alternate Director for an independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act.

***Duration of office of alternate Director***

(2) An alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

***Re-appointment provisions applicable to Original Director***

(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate Director.

**75. *Appointment of Director to fill a casual vacancy***

(1) If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

***Duration of office of Director appointed to fill casual vacancy***

(2) The Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated.

### ***Powers of Board***

**76. *General powers of the Company vested in Board***

The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other Jaws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

### ***Proceedings of the Board***

**77. *When meeting to be convened***

(1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

## **DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING**

- Who may summon Board meeting*** (2) The Chairman or any one Director with the previous consent of the Chairman may, or the company secretary or any person authorised by the Board, with the previous consent of the Chairman, or in his absence the Managing Director or in his absence the whole-time director shall, at any time, summon a meeting of the Board.
- Quorum for Board Meetings*** (3) The quorum for a Board meeting shall be as provided in the Act.
- Participation at Board meetings*** (4) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means, as may be prescribed by the Rules or permitted under law.
- 78. Questions at Board meeting how decided*** (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- Casting vote of Chairman at Board meeting*** (2) In case of an equality of votes, the Chairman of the Board, if any, shall have a second or casting vote.
- 79. Directors not to act when number falls below minimum*** The continuing Directors may act notwithstanding any vacancy in the Board but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
- 80. Chairman*** If the Chairman is not present within fifteen minutes after the time appointed for holding the meeting of the Board, the Directors present shall choose one of their number to be the Chairman of such meeting.
- 81. Delegation of Powers*** (1) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- Committee to conform to Board regulations*** (2) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- Participation at committee meetings*** (3) The participation of Directors in a meeting of the committee may be either in person or through video conferencing or audio visual means as may be prescribed by the Rules or permitted under Law.
- (4) The quorum for the committee meetings shall be as per applicable law.
- 82. Chairperson of committee*** (1) A committee may elect a chairperson of its meetings unless the Board, while constituting a committee, has appointed a chairperson of such committee.



## **DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING**

- Who to preside at meetings of committee*** (2) If no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.
- 83. Committee to meet*** (1) A committee may meet and adjourn as it thinks fit.
- Questions at committee meeting how decided*** (2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present.
- Casting vote of chairperson at Committee meeting*** (3) In case of an equality of votes, the chairperson of the committee shall have a second or casting vote.
- 84. Acts of Board or committee valid notwithstanding defect of appointment*** All acts done by the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
- 85. Passing of resolution by circulation*** Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
- Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***
- 86. Chief Executive Officer, etc.*** Subject to the provisions of the Act,-  
(a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board. The Board may appoint one or more chief executive officers for its multiple businesses.
- Director may be chief executive officer, etc.*** (b) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

***The Seal***



# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

**87. The seal, its custody and use** (1) The Board shall provide for the safe custody of the seal.  
**Affixation of seal**

(2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or the manager, if any or the secretary or such other person as the Board may appoint for the purpose; and such Directors or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

## **Dividends and Reserve**

**88. Company in general meeting may declare dividends** The Company in general meeting may declare dividends. No dividend shall exceed the amount recommended by the Board.

**89. Interim dividends** Subject to the provisions of the Act, the Board may from time to time pay interim dividend to the members.

**90. Dividends only to be paid out of profits** (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

**Carry forward of Profits** (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**91. Division of profits** (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

**Payments in Advance** (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

**Dividends to be Apportioned** (3) 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

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

dividend as from a particular date such share shall rank for dividend accordingly.

**92. No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom**

(1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

**Retention of Dividends**

(2) The Board may retain dividends payable upon shares in respect of which any person is, under the Article 30 (*Transmission*) hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

**93. Dividend how Remitted**

(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

**Instrument of Payment**

(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**Discharge to Company**

(3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

**94. Receipt of one holder sufficient**

Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

**No interest on Dividends**

No dividend shall bear interest against the Company.

**Waiver of Dividends**

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

## Accounts and Inspection

**95. Inspection by Directors**

(1) The books of account and books and papers of the Company, or any of them, shall be open to the

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

inspection of Directors in accordance with the applicable provisions of the Act and the Rules.

***Restriction on inspection by members***

(2) No member (not being a Director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

***Inspection***

(3) All the registers/returns may be inspected and the extracts thereof may be taken by the members and such other persons as provided under the Act and the Rules at such a maximum fee provided or indicated under the Act and the Rules.

***Service of documents***

(4) On the request of a member, the Company shall deliver document(s) through a particular mode as requested by the member without charging any fee towards such mode of delivery.

## **Winding Up**

***96. Winding up of Company***

Subject to the applicable provisions of the Act and the Rules made thereunder-

(a) If the Company shall be wound up, the liquidator may, with the sanction of a resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **Indemnity**

***97. Directors and officers right to indemnity***

(a) Subject to the provisions of the Act, every Director, Managing Director, whole-time Director, manager, company secretary and other officers of the Company shall be indemnified by the Company out of the assets of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such

# DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(b) Subject as aforesaid, every Director, Managing Director, manager, company secretary or other officers of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the court or the Tribunal.

## ***Insurance***

(c) The Company may take and maintain any insurance on behalf of its present and/or former Directors, key managerial personnel and other officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

## **General Power**

### **98. *General Power***

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

## DRAFT ARTICLES OF ASSOCIATION FOR APPROVAL OF SHAREHOLDERS IN ANNUAL GENERAL MEETING

Names, addresses, description, and occupation of subscribers	Signature Subscribers	of Name, addresses, description and occupation of witness
1. Narinder Dev Relan S/o Shri Ram Kishan Relan S-233, Panchshila Park, New Delhi-110017 (Share Broker)	Sd/-	
2. Rohit Relan S/o Shri Narinder Dev Relan S-233, Panchshila Park, New Delhi-110017 (Chartered Accountant)	Sd/-	
3. Mala Relan W/o Ajay Relan S-233, Panchshila Park, New Delhi-110017 (Business)	Sd/-	<p>I hereby witness the signatures of all the seven signatories. Sd/- (ANIL K. AGARWAL) A.C.A. S/o Shri R. B. Agarwal C-4/5, Krishna Nagar, Delhi-110051</p>
4. Sharda Relan W/o Shri Narinder Relan S-233, Panchshila Park, New Delhi-110017 (Business)	Sd/-	
5. Ajay Relan S/o Shri Narinder Relan S-233, Panchshila Park, New Delhi-110017 (INDUSTRIALISTS)	Sd/-	
6. Ritu Relan W/o Rohit Relan S-233, Panchshila Park, New Delhi-110017 (Business)	Sd/-	
7. Deepak Relan S/o Shri Arjun Dev Relan 8-C, 30 Ferozeshah Road, New Delhi-110017 (Share Broker)	Sd/-	

Place: New Delhi

Dated: 27<sup>th</sup> February, 1986