

## CERTIFICATE OF INCORPORATION

-----  
No. 7891 OF 1933-1934  
-----

I hereby certify that GARDEN REACH WORKSHOPS LTD., is this day incorporated under the Indian Companies Act, VII of 1913, and that the Company is Limited

Given under my hand at Calcutta this Twenty-sixth day of February, One Thousand Nine Hundred and Thirty-Four.

**Sd/-**  
Registrar of Companies  
Calcutta

No 7891 *Mr. Row*

CERTIFICATE OF CHANGE OF NAME,  
IN THE OFFICE OF THE REGISTRAR OF COMPANIES UNDER  
THE COMPANIES ACT I OF 1956.

IN THE NAME OF MESSRS GARDEN REACH WORKSHOPS LTD.  
No. 2, Fairlie Place.  
Calcutta - 1

I do hereby certify that pursuant to the provisions of section  
23 of the Companies Act, 1956 and under order of the Central  
Government conveyed by the Ministry of Finance, Department of Company  
Law Administration by their No. 18(91)CL-IV/57  
dated New Delhi the 30<sup>th</sup> October 1957.

to the address M/s. Orr Dagnam & Co.  
29, Netaji Subhas Road,  
Calcutta.

the name of GARDEN REACH WORK SHOPS LTD.

has this day been changed to GARDEN REACH WORKSHOPS PRIVATE  
LIMITED.

and that the said company has been duly incorporated as a company  
under the provision of the said Act.

Dated this Calcutta the day of 5<sup>th</sup> November One thousand nine  
hundred and fifty seven.



*[Signature]*  
Registrar of Companies,  
West Bengal.



Deemed to be a Public Ltd Company by virtue of Sec 43A(2)  
John S. 1126 of the A. 1956. No. 799/  
Asst. Registrar of Companies  
West Bengal

**FRESH CERTIFICATE OF INCORPORATION CONSEQUENT OF CHANGE OF NAME.**

In the Office of the Registrar of Companies .....

(Under the Companies Act, 1956 (1 of 1956))

In the matter of \* Garden Reach workshops P. Ltd  
\* Indian companies act 1913

I hereby certify that .. Garden Reach workshops P. Limited,  
which was originally incorporated on..... 5th..... day of  
.. November... 19.57..... Under the.....  
Act and under the name... Garden Reach workshops P. limited,  
having duly passed the necessary resolution in terms of section of  
the Companies Act, 1956 and the approval of the Central Government  
signified in writing having been accorded thereto in the Minis-try of  
Commerce of & Industry, Department of Company Law Administration  
Regional Director  
.. Eastern Region, Calcutta .. letter No. RD/DP/198(21).....  
dated ..... 7.10.67..... the name of the said company is this  
day change to... Garden Reach workshops..... limited  
and this certificate is issued pursuant to section 23(1) of the  
said Act.



Give under my hand at... Calcutta... this... 20th.....  
day of... November... 19.67 (One thousand nine hundred... 1967...)

Ch. S. Das  
Addl. Asstt. Registrar of Companies.  
West Bengal

Notes.

1. \* Here give the name of the company as existing prior to the change.
2. \* Here give the name of the Act(a) under which the company was originally registered incorporated.





Co. No. 7891

# FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME

In the Office of the Registrar of Companies, West Bengal.

[ Under the Companies Act, 1956 ( 1 of 1956 ) ]

IN THE MATTER OF \* Garden Reach Workshops Limited.,  
43/46, Garden Reach, Calcutta-700024.

I hereby certify that Garden Reach Workshops Limited,  
which was originally incorporated on 26th day of February 1934.  
under the † Indian Companies Act and under the name Garden Reach Workshops Limited,  
having duly passed the necessary resolution in terms of section 21/~~21(1)(a), 21(1)(b)~~ of Companies Act,  
1956, and the approval of the Central Government signified in writing having been accorded thereto in  
Law Justice & Company Affairs Department of Company ~~Law Justice & Company Affairs~~  
the Ministry of ~~Company Affairs~~ Regional Director, Eastern Region, Calcutta.

letter No. RD/T/4232 dated 29th December, 1976  
the name of the said company is this day changed to "Garden Reach Shipbuilders & Engineers  
Limited and this certificate is issued pursuant to section 23 (1) of the said Act.

Given under my hand at Calcutta this day of 31st December 1976.

(One thousand nine hundred Seventy Six ).



[Signature]  
Asstt. Registrar of Companies.  
West Bengal.

\* Here give the name of the company as existing prior to the change.

† Here give the name of the Act(s) under which the company was originally registered and incorporated



Certificate of Incorporation Consequent upon conversion to Public Limited Company



सत्यमेव जयते

**GOVERNMENT OF INDIA**

MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Kolkata

Nizam Palace, 2nd MSO Building 2nd Floor, Kolkata, West Bengal, India, 700020

Corporate Identity Number: U35111WB1934GOI007891

Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company

IN THE MATTER OF GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

I hereby certify that GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED which was originally incorporated on Twenty sixth day of February One thousand nine hundred thirty-four under the Companies Act, 1956 as GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED and upon an intimation made for conversion into Public Limited Company under Section 18 of the Companies Act, 2013; and approval of Central Government signified in writing having been accorded thereto by the RoC - Kolkata vide SRN G61223301 dated 17.11.2017 the name of the said company is this day changed to GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED.

Given under my hand at Kolkata this Seventeenth day of November Two thousand seventeen.

DS MINISTRY OF CORPORATE AFFAIRS 04

K G JOSEPH JACKSON

Registrar of Companies

RoC - Kolkata

Mailing Address as per record available in Registrar of Companies office:

GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED  
43/46 GARDEN REACH ROAD, KOLKATA, West Bengal, India,  
700024



MEMORANDUM  
OF  
ASSOCIATION

**MEMORANDUM OF ASSOCIATION  
OF  
GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED**

I. The name of the Company is "GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED".<sup>1,2,3</sup>

II. The Registered Office of the Company will be situated at 43/46, Garden Reach Road, Calcutta 700 024, West Bengal.<sup>4</sup>

III. The objects for which the Company is established are (and it is expressly declared that the several sub-clauses of this clause and all the powers thereof are to be cumulative and in no case is the generality of any one sub-clause to be narrowed or restricted by any particularity of any other sub-clause, nor in any general expression in any sub-clause to be narrowed or restricted by any particularity of expression in the same sub-clause or by the application of any rule of construction ejusdem generis or otherwise):

**To Acquire undertaking etc.**

(Note : The Article referred to was not reproduced in the new Articles of Association).

(1) To acquire and take over as a going concern the business carried on at Calcutta and elsewhere of the Garden Reach Shipbuilders & Engineers and all or any of the assets and liabilities of the proprietors thereof in connection therewith, and with a view thereto to enter into the Agreement referred to in Article 3 of the Company's Articles of Association and to carry the same into effect, with or without modification.

**Dock Owners etc.**

(2) To carry on all or any of the business or proprietors of docks, wharves, jetties, piers, workshops and warehouses and of shipowners, shipbuilders, shipwrights, engineers, dredgers, tug and barge owners, lightermen, wharfingers, warehousemen, ship-breakers, ship-repairers, freight contractors, carriers by land sea and air, forwarding agents and general trades.

---

<sup>1</sup> Name changed from Garden Reach Workshops Limited to Garden Reach Workshops Private Limited vide shareholders' Resolution dated 12 Jul 1957

<sup>2</sup> Name changed from Garden Reach Workshops Private Limited to Garden Reach Workshops Limited vide EGM dated 28 Mar 1961

<sup>3</sup> Name changed from Garden Reach Workshops Limited to Garden Reach Shipbuilders & Engineers Limited vide EGM dated 18 Dec 1976

<sup>4</sup> Registered Office of the Company changed from No. 2, Fairlie Place, Calcutta to 43/46, Garden Reach Road, Calcutta – 24 vide EGM dated 28 Mar 1961

### **Colliery Proprietors**

(3) To carry on the trades or business of colliery proprietors, coal dealers, coke manufacturers, oil refiners, miners, smelters, engineers, lime burners and manufactures and cement manufactures, in all their respective branches.

### **Minerals**

(4) To search for, get, work, make merchantable, buy, sell and deal in oil, coal, coke, ironstone, limestone, lime, brickearth, bricks, pipes, tiles, fireclay, fire-bricks and other metals, minerals and substances, and to manufacture and sell patent fuel.

### **Electric Engineers and Contractors**

(5) To carry on the business of electric engineers, and contractors, suppliers of electricity, electric manufacturers of, and dealers in, railway, tramway, electric, magnetic, galvanic and other apparatus, mechanical engineers, suppliers of light, heat, sound and power, and to acquire any inventions, etc. and to construct railways and tramways, and work the same by steam, gas, oil, electricity, or other power.

### **Mechanical Engineers etc.**

(6) To carry on the business of iron founders, mechanical engineers and manufacturers of agricultural implements and other machinery, tool makers, brass-founders, metal workers, boiler-makers, mill-wrights, machinists, iron and steel converters, smiths, wood-workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas makers, farmers, painters, carriers and merchants, and to buy, sell, manufacture, repair, convert, alter, let or hire, and deal in machinery, implements, rolling-stock, and hardware of all kinds, and to carry on any other business (manufacturing or otherwise) which may seem to be Company capable of being conveniently carried or in connection with the above, or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's property and rights for the time being.

### **Insurance**

(7) To insure with any other company or person against losses, damages, risks and liabilities of all kinds which may affect this Company, and also to carry on the business of marine insurance and marine accidental insurance in all its respective branches, and to effect re-insurance and counter-insurance.



### **To carry on business of general manufacturers, etc.**

(8) To carry on the business of general manufacturers and to manufacture, buy, sell and deal in apparatus, machinery, materials and articles of all kinds.

### **Banking**

(9) To carry on the business of banking in all its branches and departments, including the borrowing, raising or taking up money, the lending or advancing money on securities and property, the discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities, whether transferable or negotiable or not, the granting and issuing of letters of credit, and circular notes, the buying, selling and dealing with stock, funds, shares, debentures, debenture-stock, bonds, obligations and other securities.

### **Loans**

(10) To lend money, either with or without security and generally to such person and upon such terms and conditions as the Company may think fit.

### **Purchase, lease, exchange**

(11) To acquire by purchase, lease, exchange or otherwise, lands, buildings and hereditaments of any tenure or description, and any estate or interest therein, and any rights over or connected with land, and either to retain the same for the purpose of the Company's business or to turn the same to account as may seem expedient.

### **Construct tramways, etc.**

(12) To sink wells and shafts, lay down pipes, construct, maintain and improve any tramways, telegraph lines, canals, reservoirs, water courses, warehouses, sheds and other buildings and works calculated, directly or indirectly, to advance the interests of the Company, and to pay or contribute to the expense of constructing, maintaining and improving any such works.

### **Construct markets, etc**

(13) To construct, carry out, maintain, improve, manage, work, control and superintend any hats, markets, reservoirs, water works, tanks, bridges and work in connection therewith, hydraulic works, electrical works and factories, coolie lines and houses and bustees, villages and other works and conveniences, which may seem, directly or indirectly, conducive to any of the object of the Company, and to contribute to, subsidise or otherwise aid or take part in any such operations.

### **Any other business**

(14) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with any of the above or calculated, directly or indirectly, to enhance the value of or render profitable any of the Company's property or rights.

### **Acquire and undertake business**

(15) To acquire and undertake all or any part of the business, property and liabilities of any person or company carrying on any business which this Company is authorized to carry on or possessed of property suitable for the purpose of the Company.

### **Partnership**

(16) To enter into partnership or into any arrangement for sharing profits into any union of interest, joint venture, reciprocal concession or cooperation with any person or persons or company or companies carrying on, or engaged in, or about to carry on or engage in, or being authorized to carry on or engage in, any business or transaction which this Company is authorized to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.

### **Patents**

(17) To apply for, purchase or otherwise acquire any patents, brevets d'invention, licenses concessions and the like, conferring and exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated, directly or indirectly, to benefit the Company, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.

### **Promotion**

(18) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company or for any other purpose which may seem, directly or indirectly to benefit this Company.

### **Holding Shares**

(19) To take or otherwise acquire and hold shares in any other company carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.



## **Guarantee**

(20) To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments, and securities of any company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated, and generally to guarantee or become sureties for the performance of any contracts or obligations.

## **Investment**

(21) To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may time to time be determined.

## **Government concessions**

(22) To enter into any arrangement with any Government or authority, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authority all rights, concessions and privileges which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.

## **Provident Institutions**

(23) To establish and support, or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or its predecessors in business or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition for any public, general or useful objects.

## **Borrowing**

(24) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture-stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem and pay off any such securities.

## **Remuneration**

(25) To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place, or guaranteeing the placing of, any shares in the Company's Capital or any debentures, debenture-stock or other securities of the Company or in or about the formation or promotion of the Company or the acquisition of property by the Company or the conduct of its business.

## **Trusts**

(26) To undertake and execute any trust, the undertaking of which may seem to the Company desirable, and other gratuitously or otherwise.

## **Negotiable Instruments**

(27) To draw, make, accept, discount, execute and issue bills of exchange, of Government of India and other promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments or securities.

## **Sell undertaking**

(28) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other Company.

## **Publicity**

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

## **Labour problems**

(30) To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.

## **Sell Company's property**

(31) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Company.



## **Distribution in specie**

(32) To distribute all or any of the property of the Company amongst the members in specie or kind.

## **Trustee and Agency**

(33) To do all or any of the above things, either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with other, and either by or through agents, sub-contractors, trustees or otherwise, and either alone or in conjunction with others and to do all such things as are incidental or conducive to the attainment of the above objects.

And it is hereby declared that the word "Company", save when used in reference to this Company, in this clause, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated whether domiciled in British India or elsewhere.

IV. The liability of the members is limited.

V. The Authorized Share Capital of the Company is ₹1,25,00,00,000/- (Rupees One Hundred Twenty Five Crore Only) divided into 12,50,00,000 shares of ₹10/- (Rupees Ten Only) each. <sup>5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20</sup>

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

---

<sup>5</sup> Increased from ₹3 crore to ₹5 crore vide EGM dated 06 May 1971

<sup>6</sup> Increased from ₹5 crore to ₹7 crore vide EGM dated 20 Jul 1973

<sup>7</sup> Increased from ₹7 crore to ₹10 crore vide EGM dated 13 Jun 1975

<sup>8</sup> Increased from ₹10 crore to ₹15 crore vide EGM dated 09 Aug 1976

<sup>9</sup> Increased from ₹15 crore to ₹17 crore vide EGM dated 11 Aug 1977

<sup>10</sup> Increased from ₹17 crore to ₹20 crore vide EGM dated 28 Sep 1977

<sup>11</sup> Increased from ₹20 crore to ₹23 crore vide EGM dated 23 Sep 1978

<sup>12</sup> Increased from ₹23 crore to ₹25.40 crore vide EGM dated 04 Sep 1980

<sup>13</sup> Increased from ₹25.40 crore to ₹27.90 crore vide AGM dated 25 Sep 1981

<sup>14</sup> Increased from ₹27.90 crore to ₹38 crore vide EGM dated 08 Nov 1982

<sup>15</sup> Increased from ₹38 crore to ₹50 crore vide AGM dated 23 Sep 1985

<sup>16</sup> Increased from ₹50 crore to ₹100 crore vide AGM dated 28 Nov 1987

<sup>17</sup> Increased from ₹100 crore to ₹110 crore vide AGM dated 26 Sep 1989

<sup>18</sup> Increased from ₹110 crore to ₹120 crore vide EGM dated 28 Jun 1990

<sup>19</sup> Increased from ₹120 crore to ₹125 crore vide AGM dated 25 Sep 1992

<sup>20</sup> Sub-Division of Shares from ₹100/- per share to ₹10/- per share vide AGM dated 25 Aug 2017

Names, Addresses and Description of Subscribers	Number of Shares taken by each Subscriber	Name, Addresses and Description of Witness
G.R Campbell 16 Strand Road Calcutta  Merchant	One	
A.O Brown 16 Strand Road Calcutta  Merchant	One	K.C Mittra Assistant to M/s. Orr. Dignam & Co., Solicitors, 32 Dalhousie Square Calcutta
E.G Abbott 2 Fairlie Place Calcutta  Merchant	One	
	Total : Three	

Dated the 26 day of February, 1934.



**ARTICLES OF ASSOCIATION  
OF  
GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED**

**TABLE OF CONTENTS**

DEFINITIONS AND INTERPRETATIONS.....	7
TABLE F NOT TO APPLY .....	10
GOVERNMENT COMPANY .....	10
COMPANY TO BE GOVERNED BY THESE ARTICLES OF ASSOCIATION .....	11
COMPANY IS A PUBLIC COMPANY.....	11
ARTICLES TO BE CONTEMPORARY IN NATURE .....	11
SHARE CAPITAL AND ALTERATION OF SHARE CAPITAL .....	11
Authorised Capital.....	11
Shares at the disposal of the Directors' .....	11
Increase of Capital by the Company and how carried in to effect .....	12
New capital part of the existing capital .....	12
Redeemable Preference shares.....	12
Provisions applicable to any other Securities .....	12
Reduction of Capital.....	13
Sub-division, consolidation and cancellation of shares.....	13
Variation / Modification of Shareholders rights .....	13
New Issue of Shares not to affect rights attached to existing shares of that class unless otherwise provided.....	14
Further issue of capital .....	14
Power to issue shares/ GDR etc. outside India.....	14
Acceptance of shares .....	15
Deposit and call to be a debt payable immediately .....	15
Liability of Members.....	15
Shares not to be held in trust .....	16
The first named joint holder deemed to be sole holder .....	16
Maximum number of joint holders.....	16
Company not bound to recognize any interest in Share other than that of registered holder .....	16
Register of Members and Index.....	16
Foreign Registers.....	17

SHARES CERTIFICATES .....	17
Right of Member to certificate.....	17
Issue of new certificate in place of one defaced, lost or destroyed.....	18
BUY BACK OF SECURITIES BY THE COMPANY.....	18
UNDERWRITING AND BROKERAGE .....	19
Commission may be paid.....	19
Brokerage .....	19
CALL ON SHARES.....	19
Directors may make calls.....	19
Notice of calls .....	19
Directors may extend time.....	20
Calls to carry interest.....	20
Sums deemed to be calls .....	20
Proof on trial of suit for money due on Shares.....	20
Partial payment not to preclude forfeiture.....	21
Payment in anticipation of call may carry interest.....	21
Applicability on Debentures.....	21
LIEN .....	21
Company to have lien on shares .....	21
As to enforcing lien by sale .....	22
Application of proceeds of sale .....	22
Applicability on Debentures.....	22
FORFEITURE OF SHARE.....	22
If call or installment not paid notice may be given.....	22
Form of notice .....	23
If notice not complied with Shares may be forfeited .....	23
Notice after forfeiture to a member.....	23
Forfeited share to become property of the company.....	23
Power to cancel forfeiture.....	23
Liability on forfeiture.....	23
Effect of forfeiture.....	24
Evidence of forfeiture.....	24
Cancellation of share certificate in respect of forfeited shares.....	24
Transfer of forfeited Shares .....	24

These Articles to apply in case of any non-payment of a sum .....	24
EMPLOYEES STOCK OPTIONS .....	25
POWER TO ISSUE SWEAT EQUITY SHARES.....	25
CAPITALISATION OF PROFITS .....	25
TRANSFER AND TRANSMISSION OF SHARES.....	26
Instruments of transfer.....	26
To be executed by transferor and transferee .....	26
Transfer books when closed.....	27
Directors may refuse to register transfer.....	27
Directors to recognize Beneficial Owners of Securities .....	28
Nomination.....	28
Transmission in the name of nominee.....	29
No transfer to minor, insolvent etc.....	30
Person entitled may receive dividend without being registered as a member .....	30
Transfer to be presented with evidence of title.....	30
Conditions of registration of transfer .....	31
No fee on transfer or transmission.....	31
Register of transfers .....	31
Company not liable for disregard of a notice in prohibiting registration of transfer .....	31
Transfer or Transmission of Securities between beneficial owners.....	31
Applicability on Debentures/ Bonds .....	32
DEMATERIALISATION OF SECURITIES.....	32
Dematerialization of Securities.....	32
Options to investors.....	32
Securities in depositories to be in fungible form.....	32
Rights of Depositories and Beneficial Owners .....	32
Service of Documents.....	33
Transfer of securities .....	33
Allotment of Securities dealt with in a depository.....	33
Distinctive number of securities held in a Depository.....	33
Register and index of Beneficial Owners .....	33
COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS .....	33
BORROWING POWERS .....	34
Power to borrow .....	34

Terms of issue of Securities .....	34
Register of charge etc. to be kept.....	34
Register and index of debenture holders.....	35
GENERAL MEETINGS.....	35
Notice of General Meetings .....	36
Quorum at general meeting.....	36
Chairman at General Meetings.....	37
Adjournment of meeting.....	37
Voting rights.....	37
E-voting in case of General Meeting.....	38
Proxy.....	38
Right of President to appoint any person as his Representative .....	39
Passing of resolution by postal ballot .....	40
Passing of resolution by e-voting .....	40
Maintenance of Records and Inspection of Minutes of General Meeting by members .....	40
BOARD OF DIRECTORS .....	41
Number of Directors .....	41
Appointment of Board of Directors and Chairman & Managing Director .....	42
Additional Directors.....	42
Nominee Directors.....	42
Appointment of Alternate Directors.....	43
Power to fill casual vacancies.....	43
Independent Directors.....	43
Retirement by Rotation of Directors.....	43
Notice of candidate for office of Directors except in certain cases.....	44
Removal of directors .....	44
Resignation of Directors .....	44
Vacation of office of Director.....	45
Remuneration of Directors.....	45
Interested director not to participate or vote in Board's proceeding .....	45
Register of contracts in which directors are interested .....	45
Register of Directors and Key Managerial Personnel and their shareholding .....	46
Miscellaneous .....	46
PROCEEDINGS OF THE BOARD .....	46



Meetings of Board.....	46
Notice of Meeting .....	46
Meetings of Board by Video/audio-visual conferencing .....	47
Regulation for meeting through video conferencing.....	47
Chairman for Board Meetings .....	48
Quorum.....	48
Exercise of powers to be valid in meetings where quorum is present.....	48
Matter to be decided on majority of votes .....	48
Power to appoint Committee and delegate.....	49
Proceeding of Committee meetings .....	49
Resolution without Board Meeting / Resolution by Circulation.....	49
Minutes of proceedings of meetings of Board and its Committees.....	50
POWERS OF BOARD.....	51
POWERS RESERVED FOR DECISION OF THE PRESIDENT .....	51
ABSOLUTE POWERS OF BOARD IN CERTAIN CASES .....	52
POWER OF CHAIRMAN & MANAGING DIRECTOR.....	58
POWER TO AUTHENTICATE DOCUMENTS.....	58
THE SEAL .....	58
MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS.....	59
DIVIDENDS AND RESERVE.....	60
Division of profits .....	60
The Company in General Meeting may declare a Dividend.....	60
Dividend only to be paid out of profits .....	60
Transfer to reserve .....	61
Interim Dividend .....	61
Calls in advance not to carry rights to participate in profits.....	61
Payment of pro rata Dividend .....	61
Deduction of money owed to the Company .....	61
Rights to dividend where shares transferred.....	62
Dividend to be kept in abeyance.....	62
Notice of Dividend.....	62
Manner of paying dividend .....	62
Receipts for dividends .....	62
Non-forfeiture of unclaimed dividend .....	62

ACCOUNTS.....	63
Directors to keep true accounts.....	63
Inspection of books of accounts by Members.....	63
Preparation of financial statements.....	63
Preparation of revised financial statements.....	64
AUDIT.....	64
Auditors to be appointed.....	64
DOCUMENTS AND NOTICES.....	64
Service of documents and notice.....	64
Newspaper advertisement of notice to be deemed duly serviced.....	64
Notice to whom served in case of joint shareholders.....	65
Notice to be served to representative.....	65
Service of notice of General Meetings.....	65
Members bound by notice.....	65
Documents or notice to be signed.....	65
Notice to be served by post or other electronic means.....	65
Admissibility of micro films, computer prints and documents to be treated as documents and evidence.....	66
WINDING UP.....	66
INDEMNITY.....	66
Directors' and others right to indemnity.....	66
Not responsible for acts of others.....	67
BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS.....	67
SECRECY.....	68
DIRECTIVES FROM THE PRESIDENT.....	68
GENERAL AUTHORITY.....	69

COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION  
OF  
GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED**

(Adopted by Special Resolution passed at the Annual General Meeting of the Company held on 25 Aug 2017)

**1. DEFINITIONS AND INTERPRETATIONS**

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

Act / the Act	Means the Companies Act, 2013 and the rules framed thereunder including any other statutory modification or re-enactment thereof for the time being in force and the provisions of the Companies Act, 1956 as may be in force for the time being, as the context may require.
Annual General Meeting	Means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof.
Applicable Law	Means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.
Articles	Means these Articles of Association of the Company, for the time being in force.
Auditors	Means and include those persons appointed as such under the provisions of the Act.
Beneficial Owner	Means and include beneficial owner as defined in clause (a) sub-section (1) of Section 2 of the Depositories Act, 1996 or such other act as may be applicable.
Board Meeting	Means a meeting of the Board of Directors duly called and constituted.

Board or Board of Directors	Means the Board of Directors for the time being of the Company.
Capital	Means the share capital for the time being raised or authorized to be raised for the purposes of the Company.
Chairman	Means the Chairman of the Board of Directors for the time being of the Company.
Committee	Means any committee of the Board of Directors of the Company formed as per the requirements of Act or for any other purpose as the Board may deem fit.
Company or This Company	Means Garden Reach Shipbuilders & Engineers Limited.
Debenture	Includes debenture-stock, bonds and any other debt securities of the Company, whether constituting a charge on the assets of the Company or not.
Depositories Act	Means the Depositories Act, 1996 and includes any statutory modification or enactment thereof.
Depository	Means a Depository as defined in clause (e) sub-section (1) of Section 2 of the Depositories Act, 1996 and includes a company formed and registered under the Act which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
Director	Means the director of the Company for the time being, appointed as such in accordance with the Applicable Law.
Dividend	Includes interim dividend.
Extraordinary General Meeting	Means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof.
Electronic Mode	Means electronic medium of communication including video conferencing or other audio-visual means or other electronic communication facility capable of being recorded, as may be applicable and electronic medium of payment such as RTGS, ECS, NEFT or such other medium as may be permitted by the Reserve Bank of India from time to time.
Financial Year	Means the same as in section 2(41) of the Act.



Government	Means either Central Government or any other Government of the States of India.
In writing or written	Means and include printing, typing, lithographing, computer mode and other modes of reproducing words in visible form.
General Meeting	Means a meeting of Members.
Members or Shareholders	Means the subscribers to the Memorandum of Association of the Company and duly registered shareholders from time to time of the Company whose name is entered in the Register of Members of the Company and shall include in case of shares held by a Depository, the Beneficial Owner(s) whose names are recorded as such with the Depository.
Month	Means a calendar month.
Office	Means the registered office of the Company
Ordinary Resolution	Means a resolution referred to in Section 114 of the Act.
Paid up capital	Means the Capital which is paid up presently.
Persons	Means and includes any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
Postal Ballot	Means voting by post through postal papers and shall include voting by Electronic Mode or as any other mode as permitted under Applicable Law.
President	Means the President of India.
Register of Beneficial Owners	Means the register of Members in case of shares held with a Depository in any media as may be permitted by law, including in any form of electronic mode.
Register of Members	Means the register of members, including any foreign register which the Company is required to maintain pursuant to the Act and includes Register of Beneficial Owners.
Registrar	Means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated.
Seal	Means the common seal of the Company, if any.

Section	Means the relevant section of the Act, and shall, in case of any modification or re-enactment of the Act, shall be deemed to refer to any corresponding provision of the Act as so modified or re-enacted or the corresponding provisions of the erstwhile Act, wherever applicable.
Security or Securities	Means shares, debentures and/or such other securities as may be treated as securities under Applicable Law.
Shares	Means the shares into which the Capital of the Company is divided whether held in tangible or fungible form.
Special Resolution	Means a resolution referred to in Section 114 of the Act.
These Presents	Means these Articles of Association of the Company, as altered from time to time and includes the Memorandum of Association where the context so requires.

- (b) Words importing masculine gender also include feminine gender and vice versa.
- (c) Words importing plural number also include singular number and vice versa.
- (d) The expression "President of India" shall include "Government of India" and vice versa.
- (e) Term(s) and phrase(s) not specifically defined in these Articles shall bear the same meaning as assigned to it in the Act.
- (f) "Marginal Notes" and "Catch Lines" hereto shall not affect the construction thereof.
- (g) Only capitalized words used in the Articles shall have meanings set forth above and non-capitalized terms shall have meaning as is understood in commercial parlance.

#### **TABLE F NOT TO APPLY**

2. The regulations contained in Table 'F' in the First Schedule to the Act shall not apply to the Company except in so far as they are embodied in the following articles which shall be the regulation for the management of the Company.

#### **GOVERNMENT COMPANY**

3. The Company is a Government Company as defined under Section 2(45) of the Act and being a Government Company, such provisions of the Act, as shall be notified by the Central Government shall not apply or shall apply with such exceptions, modifications and adaptations as directed / notified by Central Government from time to time by virtue of powers conferred under section 462 of the Act.

## **COMPANY TO BE GOVERNED BY THESE ARTICLES OF ASSOCIATION**

4. The regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject as aforesaid and to any exercise of the statutory powers of the Company in reference to the repeal, or alteration of or addition or substitution, modifications and variations to the Articles of Association by Special Resolution as prescribed or permitted by the Act be such as are contained in these Articles.

## **COMPANY IS A PUBLIC COMPANY**

5. The Company is a Public Limited Company within the meaning of Section 2(71) of the Act.

## **ARTICLES TO BE CONTEMPORARY IN NATURE**

6. The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations, allowing what was not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.

## **SHARE CAPITAL AND ALTERATION OF SHARE CAPITAL**

### **Authorised Capital**

7. The Authorised Share Capital of the Company shall be as specified in Clause V of the Memorandum of Association of the Company.

### **Shares at the disposal of the Directors'**

8. Subject to the provisions of Applicable Law, these Articles and the rights of the President, the Shares and Securities of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such person, 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 and to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to issue Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

### **Increase of Capital by the Company and how carried in to effect**

9. Subject to the approval of the President, the Company may in General Meeting from time to time increase its authorized capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution for the same shall prescribe. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Board shall comply with the provisions of Section 64 of the Act.

### **New capital part of the existing capital**

10. Except in so far as otherwise provided in the conditions of issue of Shares by These Presents, any Capital raised by the creation of new Shares shall be considered as part of the then existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

### **Redeemable Preference shares**

11. Subject to the provisions of Section 55 of the Act and Applicable Law, the Company may issue preference shares from time to time, on the terms that they are redeemable within 20 (Twenty) years from the date of issue and such other terms as may be decided at the time of issue. Further,
  - (a) such preference shares shall always rank in priority with respect to payment of dividend or repayment of capital vis-à-vis equity shares;
  - (b) the Board may decide on the participation of preference shareholders in the surplus dividend, type of preference shares issued whether cumulative or otherwise, and conversion terms into equity, if any.

### **Provisions applicable to any other Securities**

12. Subject to approval of the President, the Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined



by the terms of the issuance: Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.

### **Reduction of Capital**

13. The Company may subject to the provisions of Sections 52, 55 and 66 of the Act or any other applicable provisions of law for the time being in force from time to time by way of special resolution reduce its share capital, any capital redemption reserve account or share premium account in any manner for the time being authorised by Applicable Law.

### **Sub-division, consolidation and cancellation of shares**

14. Subject to the provisions of Section 61 of the Act, the Company in General Meeting may from time to time (a) sub-divide and consolidate its Shares into shares of a larger amount than the existing Shares, or any class of them, and (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum and the resolution whereby any share is sub-divided, or classified, may determine that, as between the holders of the Shares resulting from such sub-division or classification, one or more of such Shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the other or subject nevertheless, to the provisions of the Act.

Subject as aforesaid, the Company in General Meeting may also cancel Shares which at the date of passing of the resolution 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.

### **Variation / Modification of Shareholders rights**

15. 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 48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued shares of that class or is confirmed by a special resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting, except that the quorum thereof shall be in accordance with Section 103 of the Act.
16. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.
17. This Article is not to derogate any power of the Company which it would have if it were omitted.

### **New Issue of Shares not to affect rights attached to existing shares of that class unless otherwise provided**

18. The rights conferred upon the holders of the Shares including Preference Shares, if any, of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.

### **Further issue of capital**

19. Subject to the provisions of Section 62 of the Act and Applicable Law, where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid-up on those shares at the date.
20. Notwithstanding anything contained in the Article 19, the further shares aforesaid may be offered in any manner whatsoever, to:
  - (a) employees under a scheme of employees' stock option scheme;
  - (b) to any persons on private placement or on preferential basis, either for cash or for a consideration other than cash, if so decided by a special resolution, as per Applicable Law.
21. Nothing in Articles 19 & 20 shall apply to the increase of the subscribed Capital of the Company caused by the exercise of an option attached to the Debenture issued by the Company to convert such Debentures or loans into shares in the Company.

Provided that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in General Meeting.

22. Subject to the provisions of Section 62 of the Act and other Applicable Law, where any Debentures have been issued or loan has been obtained from any Government and if that Government, considers, if necessary in the public interest so to do, it may, by order direct that such Debenture or loan or any part thereof shall be converted into Shares in the Company.

### **Power to issue shares/ GDR etc. outside India**

23. Pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Act, and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or

institutions as may be relevant (hereinafter collectively referred to as “the Appropriate Authorities”) and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, Equity Shares and/or any instruments or securities (including Global Depository Receipts) representing Equity Shares, any such instruments or securities being either with or without detachable Warrants attached thereto entitling the Warrant holder to Equity Shares/instruments or securities (including Global Depository Receipts) representing Equity Shares, (hereinafter collectively referred to as the “Securities” for the purpose of this Article) to be subscribed to in foreign currency / currencies by foreign investors(whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. Such issue and allotment to be made on such occasion or occasions, at such value or values, or at a premium and in such form and in manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with Lead Manager and/or Underwriters and/or Legal or other Advisors, or as may be prescribed by the appropriate authorities while granting their approvals, permissions and sanctions as aforesaid which the Board be and is hereby authorized to accept at its sole discretion.

#### **Acceptance of shares**

24. Any application signed by or on behalf of an applicant, for Shares in the Company, followed by an allotment of any Share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a member.

#### **Deposit and call to be a debt payable immediately**

25. The money (if any) which the Board shall, on the allotment of any Share 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 the allottee accordingly.

#### **Liability of Members**

26. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share(s) 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.

### **Shares not to be held in trust**

27. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

### **The first named joint holder deemed to be sole holder**

28. If any Share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Shares for all incidents thereof according to the Company's regulations.

### **Maximum number of joint holders**

29. The Company shall not be bound to register more than three persons as the joint holders of any share.

### **Company not bound to recognize any interest in Share other than that of registered holder**

30. Except as ordered by a Court of competent jurisdiction, or as per the Applicable Law , the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any Share, or (except 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 upon presentation of relevant documents and on being convinced, to register any Share in the joint names of any two or more persons or the survivor or survivors of them.

### **Register of Members and Index**

31. The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of Shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.
32. Any person other than the Member or debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50/- or such higher amount as permitted by Applicable Law and as the Board may determine for each inspection.

33. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.
34. Any Member or debenture holder or any Beneficial Owner of the Company or any other person may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return on payment of Rs. 10/- for each page or such higher amount as permitted under Applicable Law from time to time, as the Board may determine.

### **Foreign Registers**

35. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register containing the names and particulars of the Members, Debenture- holders, other Security holders or Beneficial Owners residing outside India and the Board may (subject to the provisions of that Section) make and vary such regulations as it may think fit in respect of the keeping of any such foreign register.

## **SHARES CERTIFICATES**

### **Right of Member to certificate**

36. Every Member other than a Beneficial Owner shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within such time permissible under Applicable Law from the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares, as the case may be.
37. Every certificates of Share shall be under the Seal of the Company and shall specify the name(s) of the person(s) in whose favor the certificate is issued, number and distinctive number of Share in respect of which it is issued and the amount paid-up thereon and shall be in such form as prescribed under the Act and as may be approved by the Board, provided that in respect of Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of such certificate of Shares to one of the several joint holders shall be a sufficient delivery to all such holders.
38. Except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered share certificate shall continue to bear the number by which the same was originally distinguished.

39. Provided that in case of Securities held by a Member / Bond / Debenture holder in dematerialized form, no Share / Bond / Debenture Certificate shall be issued and the provision relating to progressive numbering of shares shall not apply to the Shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.
40. No certificate of any Share(s) shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the cages on the reverse for recording transfers have been fully utilized unless certificates in lieu of which it is issued is surrendered to the Company.

#### **Issue of new certificate in place of one defaced, lost or destroyed**

41. If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued, in case of splitting or consolidation of share certificate(s) or in replacement of share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out without payment of fees.
42. Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf.
43. The provisions of Articles 36 to 42 shall *mutatis mutandis* apply to issue of certificates of debentures of the Company.

#### **BUY BACK OF SECURITIES BY THE COMPANY**

44. The Company shall have power, subject to and in accordance with the provisions of Sections 68 to 70 of the Act and the Rules made thereunder and other Applicable Law for the time being in force, to purchase any of its own Shares or other specified Securities. The powers conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules or approvals as required.



## **UNDERWRITING AND BROKERAGE**

### **Commission may be paid**

45. Subject to the provisions of Section 40(6) of the Act and the rules made thereunder, and subject to the applicable SEBI guidelines and subject to the terms of issue of the Shares or debentures or any other Securities, as defined in the Securities Contract (Regulations) Act, 1956, the Company may at any time pay a commission out of proceeds of the issue or profit of the Company or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolute or conditional) for any Shares or other Securities of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares or other Securities of the Company but so that the commission shall not exceed such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid Shares or other Securities or partly in one way and partly in the other.

### **Brokerage**

46. The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage as sanctioned by the Board of Directors.

## **CALL ON SHARES**

### **Directors may make calls**

47. The Board of Directors may, from time to time and subject to the terms on which any Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board or otherwise as permitted by Applicable Law, 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 of Directors. A call may be made payable by installments.
48. The option or right to make calls on Shares shall not be given to any person except with the sanction of the issuer in General Meeting.
49. Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

### **Notice of calls**

50. Each Member shall, subject to receiving at least fourteen days' notice specifying the time and place of payment, pay to the Company the amount called on the Share. A call may be revoked or postponed at the discretion of the Board.

### **Directors may extend time**

51. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members for a cause, the Board may deem fairly entitled to such extension, but no such Member shall be entitled to such extension save as a matter of grace and favour.

### **Calls to carry interest**

52. 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 ten per cent per annum or at such lower rate, if any, as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

### **Sums deemed to be calls**

53. Any sum, which may 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 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.

### **Proof on trial of suit for money due on Shares**

54. At the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member, in respect of whose Shares the money is sought to be recovered appears entered in 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 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 sued 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 made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

### **Partial payment not to preclude forfeiture**

55. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

### **Payment in anticipation of call may carry interest**

56. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Board may pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the Member, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend.
57. The Directors may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

### **Applicability on Debentures**

58. The provisions of Articles 47 to 57 shall *mutatis mutandis* apply to the calls on Debentures of the Company.

## **LIEN**

### **Company to have lien on shares**

59. 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 Share shall be created except upon the footing and condition that that this Article will have full effect and any such lien shall extend to all Dividends and bonuses 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 Shares.

60. The Board may at any time declare any Shares wholly or in part to be exempt from the provision of the aforesaid clause. Provided that, fully paid Shares shall be free from all lien and that in case of partly paid Shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares.

#### **As to enforcing lien by sale**

61. For the purpose of enforcing such lien, the Board may sell the Shares 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 Member to execute a transfer thereof on behalf of and in the name of such Member. The purchaser of such transferred Shares shall be registered as the holder of the Shares comprised in any such transfer. 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.
62. No sale shall be made unless a sum in respect of which the lien exists is presently payable or 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 served on such registered holder for the time being of the Share or to his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

#### **Application of proceeds of sale**

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

#### **Applicability on Debentures**

64. The provisions of Articles 59 to 63 shall *mutatis mutandis* apply to the lien on Debentures of the Company.

### **FORFEITURE OF SHARE**

#### **If call or installment not paid notice may be given**

65. If any Member fails to pay any call or installment 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 or installment remains unpaid, serve notice on such Member 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.

## **Form of notice**

66. The notice 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.
  - (b) shall detail the amount which is due and payable on the shares and shall state that in the event of non-payment at or before the time appointed the shares will be liable to be forfeited.

## **If notice not complied with Shares may be forfeited**

67. If the requirements of any such notice as aforesaid are not complied with, every or any Share in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

## **Notice after forfeiture to a member**

68. 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.

## **Forfeited share to become property of the company**

69. Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same on such terms and in such manner as it may think fit.

## **Power to cancel forfeiture**

70. The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

## **Liability on forfeiture**

71. A person whose Share has been forfeited shall cease to be a Member in respect of the forfeited Share, but shall notwithstanding the forfeiture, remain liable to pay, and shall forthwith pay to the Company on demand, all calls, or installment, interest and expenses, owing in respect of such Share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board

may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. 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.

### **Effect of forfeiture**

72. The forfeiture of a Share involve extinction, at the time of the forfeiture, of all interest 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 are expressly saved.

### **Evidence of forfeiture**

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

### **Cancellation of share certificate in respect of forfeited shares**

74. 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 new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

### **Transfer of forfeited Shares**

75. The Company may receive the consideration, if any, given for the Share on any sale 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 and the transferee shall thereupon be registered as the holder of the Share and 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 or disposal of the Share.

### **These Articles to apply in case of any non-payment of a sum**

76. The provisions of these regulations 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.



## **EMPLOYEES STOCK OPTIONS**

77. Subject to the provisions of section 62 of the Act and Applicable Law, the Company may issue options to its Directors, not being an Independent Director / Government Nominee Director, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the Securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees share purchase or both.

## **POWER TO ISSUE SWEAT EQUITY SHARES**

78. Subject to and in compliance with Section 54 of the Act and other Applicable Law, the Company may issue equity Shares to its employees or Directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

## **CAPITALISATION OF PROFITS**

79. The Company in General Meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise 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 79 (c) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions;
  - (c) the sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 80, either in or towards—
    - i. paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
    - ii. paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;
    - iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii) above.

80. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares;
81. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
82. 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 capitalised thereby, and all allotments and issues of fully paid Shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
83. 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 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 to which they may be entitled upon such capitalisation, 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 capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares;
  - (c) Any agreement made under such authority shall be effective and binding on such members.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **Instruments of transfer**

84. The instrument of transfer shall be in common form and in writing and all provision of Section 56 of the Act and any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof.

### **To be executed by transferor and transferee**

85. Save as provided in Section 56 of the Act and other Applicable Law, no transfer of Securities shall be registered unless a proper instrument of transfer duly stamped, dated and executed by or on behalf of both the transferor and the transferee has been delivered to the Company at its Registered Office or its registrars within the

period prescribed under the Act together with the certificate or, if no such certificate is in existence, the Letter of Allotment of the Shares. The instrument of transfer of any Share shall specify the name, address and occupation (if any) of the transferee, and the transferor shall be deemed to remain the holder of such Share until the name of the transferee is entered in the Register of Member in respect thereof.

86. The Board shall not issue or register a transfer of share in favor of a minor (except in cases when they are fully paid up) or to any person who is insolvent, lunatic or of unsound mind.

#### **Transfer books when closed**

87. The Board shall give previous notice of at least seven days or such lesser period as may be specified under Applicable Law, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situated, in accordance with Section 91 of the Act and the rules made thereunder and Applicable Law, to close the transfer books, the Register of Members, Register of Debenture holders or the Register of other security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

#### **Directors may refuse to register transfer**

88. Subject to the provisions of Section 56 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Law for the time being in force, the Board may, in the interest of the Company or in pursuance of any power of the Company under Applicable Law, refuse to register the transfer of, or the transmission by operation of law of the right to, any Securities or interest of a Member in the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
89. The Board may, subject to the right of appeal conferred by Section 58 of the Act and other Applicable Law, decline to register—
  - (a) the transfer of a Share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of Shares on which the Company has a lien.

90. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under subsection (1) of Section 56 of the Act;
  - (b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of Shares.

### **Directors to recognize Beneficial Owners of Securities**

91. Notwithstanding anything contained in the Act or in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.
92. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its Securities held by a Depository.
93. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the Securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

### **Nomination**

94. Every holder of Shares in, or debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder.
95. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.
96. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Shares in or Debentures of the Company, where a nomination made in the

prescribed manner purports to confer on any person the right to vest the Shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

97. Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the Shares in or Debentures of the Company, in the event of his death, during the minority.

#### **Transmission in the name of nominee**

98. Any person becoming entitled to Shares or Debentures in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with These Presents, may with the consent of the Board and subject as hereinafter provided, elect, either:
- (a) to be registered himself as holder of the Shares or Debentures, as the case may be; or
  - (b) to make such transfer of the Shares or Debentures, as the case may be, as the deceased shareholder or debenture holder, could have made.

Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

99. The Board 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.
100. If the nominee, so becoming entitled, elects himself to be registered as holder of the Shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder and the certificate(s) of Shares or Debentures, as the case may be, held by the deceased in the Company.
101. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.

102. 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.
103. Subject to the provisions of Section 56 of the Act and these Articles, the Board may register the relevant Shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the Shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.
104. A nominee on becoming entitled to Shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such Shares or Debentures, be entitled in respect of them to exercise any right conferred on a Member or Debenture holder in relation to meetings of the Company.
105. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus, interest or other moneys payable or rights accrued or accruing in respect of the relevant Shares or Debentures, until the requirements of the notice have been complied with.

**No transfer to minor, insolvent etc.**

106. No transfer shall be made to a minor or person of unsound mind. However in respect of fully paid up Shares, Shares may be transferred in favor of minor acting through legal guardian, in accordance with the provisions of law.

**Person entitled may receive dividend without being registered as a member**

107. A person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any 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.

**Transfer to be presented with evidence of title**

108. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board of Directors shall from



time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

### **Conditions of registration of transfer**

109. For the purpose of the registration of a transfer, the certificate or certificates of the Share or Shares to be transferred must be delivered to the Company along with (same as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer.

### **No fee on transfer or transmission**

110. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

### **Register of transfers**

111. The Company shall keep a Register of Transfer and enter therein fairly and directly, particulars of every transfer or transmission of any Share or Debenture. The register shall not be available for inspection or making of extracts by the Members of the Company or any other persons. Entries in the register should be authenticated by the Company Secretary or by any other person authorized by the Board for the purpose, by appending his signature to each entry.

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

112. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

### **Transfer or Transmission of Securities between beneficial owners**

113. Nothing contained in these Articles (except Articles 104, 105, 107 and 111) shall apply to transfer or transmission of Securities effected by the transferor and the transferee both of whom are beneficial owners.

### **Applicability on Debentures/ Bonds**

114. Subject to Applicable Law, the provisions of Articles 84 to 113 shall *mutatis mutandis* apply to the transfer and transmission of Debentures/ Bonds issued by the Company.

### **DEMATERIALIZATION OF SECURITIES**

115. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

### **Dematerialization of Securities**

116. The Board shall be entitled to dematerialize or rematerialize its Securities held by the Company with the Depository and to offer Securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, as amended.

### **Options to investors**

117. Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such Securities or to hold the Securities with a Depository. Such a person who is the Beneficial Owner of the Securities can at any time opt out of a depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.
118. If a person opts to hold his Securities with the depository, the Company shall intimate such Depository the details of allotment of the Securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

### **Securities in depositories to be in fungible form**

119. All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

### **Rights of Depositories and Beneficial Owners**

120. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.
121. Save as otherwise provided in Article 120 above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

122. Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of Securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member / Debenture holder, as the case may be, of the Company.

### **Service of Documents**

123. Notwithstanding anything to the contrary contained in the Act or these Articles, where Securities of the Company are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of Electronic Mode.

### **Transfer of securities**

124. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer or transmission of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

### **Allotment of Securities dealt with in a depository**

125. Notwithstanding anything to the contrary contained in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

### **Distinctive number of securities held in a Depository**

126. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

### **Register and index of Beneficial Owners**

127. The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

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

128. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Board to every Member at his request within seven days of the request on payment of such sum as the Board may determine.

## **BORROWING POWERS**

### **Power to borrow**

129. Subject to the provisions of the Act and these Articles or Applicable Law, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board or where a power to delegate the same is available, by a decision/resolution of such delegate, generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any Person, Firm, Company, Co-operative Society, any Body Corporate, Bank, Institution whether incorporated in India or abroad, Government or any Authority or any other Body for the purposes of the Company and may secure the payment of any sums of money so received, raised or borrowed, provided that the Board shall not, without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves.

### **Terms of issue of Securities**

130. Any Debentures, Debenture stock, bonds or other securities may be issued on such terms and conditions as the Board may think fit. Provided that Debenture with a right to allotment or conversion into Shares shall be issued in conformity with the provisions of Section 62 of the Act and Applicable Law. Debentures, debenture stock, bonds and other Securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, debenture- stock, bonds or other Securities with a right of conversion into or allotment of Shares shall be issued only with sanction of the Company in General Meeting.

Provided that the Company may issue non-transferable Debentures and accept an assignment of such instruments.

### **Register of charge etc. to be kept**

131. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.
132. The above Register and the instrument of charges kept by the Company shall be open for inspection-
- (a) by any member or creditor of the Company without fees.

- (b) by any other person on payment of a fee of Rs. 10/- only or such other amount as may be fixed by the Board from time to time.

### **Register and index of debenture holders**

133. The Company shall, if at any time it issues debentures, keep Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of debenture-stock, resident in that State or Country.

### **GENERAL MEETINGS**

134. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.
135. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.
136. In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:
- (a) the consideration of financial statements and the reports of the Board of Directors and auditors;
  - (b) the declaration of any dividend;
  - (c) the appointment of Directors in place of those retiring;
  - (d) the appointment of, and the fixing of the remuneration of, the Auditors.
137. In case of any other meeting, all business shall be deemed special.
138. 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 the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
139. Any Meeting called as above 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.
140. Where permitted or required by Applicable Law, the Board may, instead of calling a Meeting of Members / class of Members / Debenture holders, seek their assent by Postal Ballot, including e-voting. Such Postal Ballot will comply with the provisions of Applicable Law in this behalf.

141. The intent of these Articles is that in respect of seeking the sense of Members or other Security Holders, the Company shall, subject to Applicable Law, be entitled to seek assent using such contemporaneous methods of communication as is permitted by Applicable Law. A written resolution, including assent obtained through Electronic Mode shall be deemed to be sanction provided by the Member / other Security Holder by way of personal presence in a Meeting.
142. Where there is voting at General Meeting, in addition to e-voting, the person chairing the General Meeting may require a poll to be conducted.

### **Notice of General Meetings**

143. At least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of the general meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through Electronic Mode, to every Member or legal representative of any deceased Member or the assignee of an insolvent Member, every Auditor(s) and Director of the Company.
144. A General Meeting may be called at a shorter notice if consented to either by way of writing or any Electronic Mode by not less than 95% of the Members entitled to vote at such Meeting.
145. The accidental omission to give notice to the non-receipt thereof by any Member shall not invalidate any resolution passed at any such Meeting.

### **Quorum at general meeting**

146. 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.
147. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
148. 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 as the Board may determine and if at such adjourned Meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be quorum and may transact the business for which the Meeting was called.



### **Chairman at General Meetings**

149. The Chairman of the Board shall preside as Chairman at every General Meeting of the Company.
150. If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the Meeting, or is unwilling to act as Chairman of the Meeting, the Directors present shall elect one among themselves to be Chairman of the Meeting.
151. If at any Meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the Meeting, the Members present shall choose one of themselves to be Chairman of the Meeting.
152. No business shall be discussed at any General Meeting except the election of a Chairman, while the chair is vacant.
153. 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.

### **Adjournment of meeting**

154. The Chairman may, with the consent of any Meeting at which a quorum is present, and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place.
155. No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
156. 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.
157. Save as aforesaid, and as provided in section 103 of 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**

158. No Member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders 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 exercised any right of lien.
159. 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;
  - (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; and
  - (c) through Electronic Mode, the voting rights of Members shall be in proportion to his share in the paid-up equity Share Capital of the Company.
160. 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. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
161. 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 legal guardian, and any such guardian may, on a poll, vote by proxy.
162. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
163. 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.
164. 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 shall be valid for all purposes.
165. Any such objection made in due time shall be referred to the Chairman of the Meeting, whose decision shall be final and conclusive.
166. In the case of an equality of votes, the Chairman shall, on a show of hands or at a poll (if any) or on a voting by Electronic Mode, have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

#### **E-voting in case of General Meeting**

167. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.

#### **Proxy**

168. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote by a representative duly authorised in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

169. 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 at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
170. 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 body corporate, under the Seal of such corporate, if any, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.
171. A Member present by proxy shall be entitled to vote only on a poll.
172. The proxy so appointed shall not have any right to speak at the meeting.
173. 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.

#### **Right of President to appoint any person as his Representative**

174. The President, so long as he is a Shareholder of the Company, may from time to time, appoint / authorize one or more persons (who need not be a member or members of the Company) to represent him at all or any General Meeting of the Company.
175. Any one of the persons appointed under Article 174 who is personally present at the meeting shall be deemed to be a Member for the purposes of a quorum and to be entitled to vote and be present in person and shall be entitled to represent the President at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.
176. The President may, from time to time, cancel or revoke any appointment / authorization made under Article 174 and make fresh appointments.

177. The production at the Meeting of an order the President evidenced as provided in the Constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
178. Any person appointed by the President under this Article may, if so authorized by such order, appoint a proxy, whether specially or generally.

#### **Passing of resolution by postal ballot**

179. Where permitted or required by Applicable Law, the Board may/shall, instead of calling a meeting of Members/ class of Members/ debenture holders, seek their assent/ dissent by postal ballot and/or e-voting. Such postal ballot and/or e-voting will comply with the provisions of Applicable Law in this behalf.
180. Voting by means of postal ballot shall include voting by electronic means.
181. In case of resolutions to be passed by postal ballot, no Meeting needs to be held at a specified time and space requiring physical presence of Members to form a quorum.
182. Where a resolution is required to be passed by postal ballot, the Company shall, in addition to the requirements of giving requisite clear days' notice, send to all the Members the following:
- (a) Draft resolution and relevant explanatory statement clearly explaining the reasons thereof;
  - (b) Postal ballot for giving assent or dissent, in writing by Members; and
  - (c) Enable Member, in such manner as prescribed under Applicable Law, for communicating assents or dissents on the postal ballot to the Company with a request to the Members to send their communications within 30 (Thirty) days from the date of dispatch of notice.

#### **Passing of resolution by e-voting**

183. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.
184. Where a Member has been allowed the option of voting through Electronic Mode as per Applicable Law and who has exercised such option, such Member or Members generally shall be allowed to speak at the Meeting, but shall not be allowed to vote at the Meeting.

#### **Maintenance of Records and Inspection of Minutes of General Meeting by members**

185. Where permitted / required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term

'records' would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made thereunder to be kept by the Company.

186. 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 or passing of resolution(s) by postal ballot, entries thereof in books kept for that purpose with their pages consecutively numbered.
187. Any such minutes shall be evidence of the proceedings recorded therein.
188. The book containing the minutes of proceedings of General Meetings shall be kept at the Registered Office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.
189. Any Member of the Company shall be entitled to a copy of a General Meeting on receipt of a specific request and at a fee of Rs. 10/- (Rupees Ten only) for each page, or such higher amount as the Board may determine, subject to any Applicable Laws. No fee shall be chargeable for soft copy of minutes requested for by any Member for any Meeting held in the preceding 03 (Three) financial years.

### **BOARD OF DIRECTORS**

190. The business of the Company shall be managed by the Board of Directors subject to the compliance of conditions stipulated by Applicable Law, Department of Public Enterprises, Government of India and the Administrative Ministry from time to time.

#### **Number of Directors**

191. Subject to the provisions of Section 149 of the Act and Applicable Law, the President shall from time to time, determine in writing the number of Directors of the Company which, however, shall not be less than three or more than 15 (Fifteen) consisting of either Whole-time functional Directors or Part-time Directors. Subject to the provisions of Section 149 of the Act and Applicable Law, the Company may appoint more than 15 Directors after approval of the President and the Members at a General Meeting.
192. The composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Law. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transact business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.

193. Until otherwise determined by the Board, a Director shall not be required to hold any Shares in the capital of the Company as his qualification.

#### **Appointment of Board of Directors and Chairman & Managing Director**

194. The Chairman and Managing Director and the Government representatives on the Board of Directors shall be appointed by the President and the terms and conditions of his appointment shall be determined by the President, subject to the provisions of the Act. Other members of the Board of Directors shall be appointed by the President in consultation with the Chairman of the Board of Directors. The Directors appointed shall be entitled to hold office for such period as the President may determine. An Individual may be appointed or re-appointed by the President as the Chairman of the Company as well as the Managing Director of the Company at the same time.

#### **Additional Directors**

195. Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Law, the President 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 these Articles.
196. 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.

#### **Nominee Directors**

197. In the event of Company borrowing any money from any financial corporation or institution or government or any Government body or a collaborator, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be a Director or Directors of the Company.
198. Such Directors so appointed, shall be liable to retire by rotation, subject however, to the limits prescribed by Section 152 of the Act. Any person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification shares.

### **Appointment of Alternate Directors**

199. Subject to the provisions of Section 161(2) of the Act, the President may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article 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 office when the Original Director returns to India. If the terms of office of the Original Director are determined before he so returns to India, 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.
200. For the purpose of determining absence in Board Meetings in terms of Section 167(1)(b) of the Act, the period during with an Original Director has an Alternate Director appointed in his place, absence shall not be considered.

### **Power to fill casual vacancies**

201. Subject to the provisions of the Act, the vacancy, in the office of a Director appointed by the President caused by retirement, removal, resignation, death or otherwise, may be filled by the President by fresh appointment.
202. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not vacated by him.

### **Independent Directors**

203. Subject to the provisions of Section 149(6) of the Act and other Applicable Law, the President shall have the power to appoint requisite number of Independent Directors to comply with the Applicable Law.
204. The Company and the Independent Directors are required to abide by the provisions specified in Schedule IV to the Act.
205. An Independent Director shall not be entitled to any stock options and may receive remuneration by way of sitting fees, reimbursement of expenses for participation in Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.

### **Retirement by Rotation of Directors**

206. 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.



207. Directors to retire by rotation shall be those who have been longest in office since their last appointment, but as between two persons who became Directors on the same day, those who are to retire by rotation shall be determined by the President in consultation with the Chairman of the Company.
208. Subject to the provisions of Section 152(6) of the Act, the Chairman & Managing Director, Independent Directors and / or any Director or Directors who by virtue of the provisions of any agreement with the Company shall not be liable to retire by rotation.
209. A retiring Director shall be eligible for re-election.

#### **Notice of candidate for office of Directors except in certain cases**

210. 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 Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office alongwith a requisite deposit in pursuance of Section 160 of the Act including any alteration, exceptions and modifications made thereto from time to time.

#### **Removal of directors**

211. Subject to the provisions of the Act, the President from time to time or at any time remove the Chairman & Managing Director or any whole-time or part-time Director from office at his absolute discretion. The Chairman & Managing Director or any whole-time or part-time Director may be removed from office in accordance with terms of appointment or, if no such terms are specified, on the expiry of 03 (Three) months' notice issued in writing by the President or with immediate effect on payment of the pay in lieu of notice period.

#### **Resignation of Directors**

212. A Director may resign from his office by giving a notice in writing to the President and Board shall take note of the same. The fact of such resignation shall be mentioned in the Report of Directors laid in the immediately following General Meeting by the Company.
213. The Chairman & Managing Director or a whole-time or any executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically or to the employees of the Company generally. A nominee Director shall not give notice of resignation except through the nominating person.

214. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

#### **Vacation of office of Director**

215. The office of a Director shall *ipso facto* be vacated:

- (a) on the happening of any of the events as specified in Section 167 of the Act;
- (b) if a person is a Director of more than the number of Companies as specified in the Act at a time;
- (c) in the case of alternate Director, on return of the Original Director in terms of Section 161 of the Act;
- (d) 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;
- (e) if he is removed in pursuance of Section 169 of the Act;
- (f) any other disqualification that the Act for the time being in force may prescribe.

#### **Remuneration of Directors**

216. The Directors shall be paid such remuneration as the President may, from time to time determine.

217. The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit prescribed under Section 197(5) of the Act. Fees may also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act.

#### **Interested director not to participate or vote in Board's proceeding**

218. Subject to the provisions of Section 184 of the Act, no director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

#### **Register of contracts in which directors are interested**

219. The Company shall keep a register in accordance with Section 189 (1) of the Act and the Rules made thereunder. The register shall be kept at the Registered Office of the Company and shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof may be provided to a Member on his request, within 7

days from the date on which such request is made and upon payment of Rs. 10 per page or such amount as may be laid by the Board and as permitted by the Act.

### **Register of Directors and Key Managerial Personnel and their shareholding**

220. The Company shall keep at its Registered Office a Register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding company or associate companies in accordance to Section 170 of the Act.

### **Miscellaneous**

221. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

## **PROCEEDINGS OF THE BOARD**

### **Meetings of Board**

222. The Directors may meet together as a Board from time to time for the conduct and dispatch of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.
223. The Board shall so meet at least once in every three month 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.
224. The Chairman & Managing Director or a Director may, and the manager or Company Secretary upon the requisition of Director(s) shall, at any time, summon a meeting of the Board.
225. Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board Meetings through video conferencing mode or other audio visual means shall be entered and initialled by the Company Secretary, stating the manner in which the Director so participated.

### **Notice of Meeting**

226. Notice of every meeting of the Board shall be given in writing, including by way of electronic means, to every Director at his registered address with the Company.

227. The notice of the meeting shall inform the Directors regarding the option available to them to participate through electronic mode, and shall provide all the necessary information to enable the Directors to participate through such electronic mode.

### **Meetings of Board by Video/audio-visual conferencing**

228. Subject to the provisions of Section 173(2) of the Act and the rules made thereunder or other Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, through video conferencing or other audio-visual means, including net conferencing as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipment for ascertaining the views of such Directors as have indicated their willingness to participate by such video conferencing or other audio-visual means, including net conferencing, as the case may be.

### **Regulation for meeting through video conferencing**

229. The Board may, by way of a resolution passed at a meeting, decide the venue being where arrangements for conduct of Board meetings through video conferencing or other audio-visual means may be done, including net conferencing, as the case may be, in accordance to the provisions of 173(2) of the Act and Applicable Law, at the Company's cost. In case of a place other than such places where the Company makes arrangements as above, the Chairman may decline the right of a Director to participation through video conferencing or other audio-visual means in view of concerns of security, sensitivity and confidentiality of Board proceedings.
230. Where any Director requests for the video-conferencing facilities to be done at a place other than the designated places where the Company has made arrangements, and the Chairman so permits, the Director should requisition at least 5 days before the date of Board Meeting and the security and confidentiality of the Board proceedings shall be the responsibility of the participating Director, and the cost and expense in such participation, where agreed to by the Chairman, may be reimbursed by the Company.
231. The rules and regulations for conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act or the rules made thereunder, insofar as applicable, shall apply to meetings conducted through video conferencing or other audio-visual means, including net conferencing, as the case may be.
232. Upon the discussions being held by video conferencing or other audio-visual means, including net conferencing, as the case may be, the Chairman or the Company Secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.

233. Subject to provisions of Section 173 of the Act and the rules made thereunder, a Director may participate in and vote at a meeting of the Board by means of video conferencing or similar audio-visual means which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of the Board Meeting.

### **Chairman for Board Meetings**

234. The Chairman & Managing Director of the Company shall preside at all meetings of the Board as well as General Meetings. If an individual is appointed or re-appointed by the President as the Chairman of the Company as well as the Managing Director of the Company at the same time, in that case, such person shall preside at all meetings of the Board as well as General Meetings of the Company. In other cases, the Board may elect a Chairman of its meetings and determine the period for which he is to hold office as such.

235. If Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairman of the meeting.

### **Quorum**

236. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall decide.

### **Exercise of powers to be valid in meetings where quorum is present**

237. A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by the Act or under these Articles for the time being vested in or exercisable by the Board.

### **Matter to be decided on majority of votes**

238. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairman of the Board shall have a second or casting vote.

### **Power to appoint Committee and delegate**

239. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to Committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or Committee of officers as the Board may determine.
240. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board.
241. Subject to the provisions of the Act as well as Applicable Law, chairman of the Committee may be appointed by the Board.

### **Proceeding of Committee meetings**

242. The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board.
243. A Committee may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairman of the meeting.
244. A Committee may meet and adjourn as it thinks fit.
245. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman of the Committee shall have a second or casting vote.

### **Resolution without Board Meeting / Resolution by Circulation**

246. Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company 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 has been approved by a majority of the Directors or members as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a Board Meeting.

Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void.

### **Minutes of proceedings of meetings of Board and its Committees**

247. The Company shall cause minutes of 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 the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act. Such minute book may also be kept in Electronic Mode.
248. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
249. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise, if the minutes are kept in physical form.
250. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
251. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
252. The minutes shall, *inter alia*, contain:
- (a) the names of the Directors present at the meeting;
  - (b) where the meeting of the Board takes place through Electronic Mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means; and
  - (c) 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.
253. Nothing contained in Articles 247 to 252 shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting:
- (a) is, or could reasonably be regarded as defamatory of any person;
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interest of the Company.



254. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in Article 252.
255. Every Director who attended the meeting whether personally or through Electronic Mode shall confirm or give his comments in writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or such reasonable time as decided by the Board, after receipt of the draft minutes, failing which his approval shall be presumed.
256. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
257. Any Director of the Company may requisition for physical inspection of the Board Meeting minutes by giving a prior notice of seven days.

Provided that the Director can requisition to inspect Board Meeting minutes only for the period that he is on the Board of the Company. Provided further that the physical inspection shall be done solely by the Director himself and not by his authorised representative or any power of attorney holder or agent.

#### **POWERS OF BOARD**

258. Subject to the provisions of the Act and to such directives and/or instructions as the President may issue from time to time and Applicable Law, the business of the Company shall be managed by the Board of Directors who may exercise all such powers and do all such acts and things as the Company is authorized to exercise and do and who may from time to time delegate such powers to the Chairman and / or Managing Director as may be necessary for the proper conduct of the business of the Company. Provided that the Board of Directors shall not exercise any power or do any act or thing which is directed or required, whether by the Act or Applicable Law or by the Memorandum or Articles of the Company or otherwise to be exercised or done by the Company in General Meeting.

#### **POWERS RESERVED FOR DECISION OF THE PRESIDENT**

259. The Chairman shall reserve for the decision of the President any proposals or decisions of the Directors in any matter which in the opinion of the Chairman is of such importance as to be reserved for the approval of the President. No action shall be taken by the Company in respect of any proposal or decision of the Board of Directors reserved for the approval of the President as aforesaid until his approval to the same has been obtained.
260. Without prejudice to the generality of the above provisions, the Board of Directors shall reserve for the decision of the President any matter relating to:

- (a) Authorizing the amount of capital to be raised and the terms and conditions on which it may be raised.
- (b) Approval of the Company's Revenue Budget in case where there is an element of deficit which is proposed to be met by obtaining funds from the Government.
- (c) Implementation of Scheme involving Capital Expenditure on new Projects, modernization, Purchase of equipment etc. exceeding Rs. 500 crores or such other limits as may be notified, from time to time, by the Department of Public Enterprises and/or any other competent authority or the amount equal to the net worth of the Company, whichever is less.

### **ABSOLUTE POWERS OF BOARD IN CERTAIN CASES**

261. Without prejudice to the general powers conferred by Section 179(3) of the Act and the Article 258 above, 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 hereby declared that the Directors shall have the following powers, that is to say, power :

- (a) **To make and alter rules**  
To make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.
- (b) **To incur capital expenditure**  
To sanction capital expenditure in cases where detailed Project Reports have been prepared with estimates of different component parts of the Projects and where such Project Reports have been approved by Government. In such cases, it will not ordinarily be necessary for the Board to obtain Government's sanction to the incurrence of Capital Expenditure.

In case of variation in approved estimates which are not more than 10 percent for any particular component part, the Board of Directors will be competent to proceed with the work without further reference to Government provided there is no substantial variation in the scope of the Project.

To incur capital expenditure on new Projects, modernization, Purchase of equipment etc. without Government approval upto Rs. 5,00,00,00,000/- (Rupees Five Hundred Crore Only) or such other limits as may be notified, from time to time, by the Department of Public Enterprises and/or any other competent authority or the amount equal to net worth of the Company, whichever is less.

- (c) **To establish joint ventures / strategic alliances**  
To establish joint ventures and subsidiaries in India subject to the condition that the equity investment shall be limited to 15% of the net worth of the Company in one project limited to Rs. 5,00,00,00,000/- (Rupees Five Hundred Crore Only) and the overall ceiling of such investments in all projects put together shall be limited to 30% of the net worth of the Company.
- Enter into technology joint ventures, strategic alliances and to obtain technology and know-how by purchase or other arrangements subject to Government guidelines as may be issued from time to time.
- (d) **To approve Mergers & Acquisitions**  
To approve mergers and acquisitions subject to the condition that (a) it shall be as per the growth plan and in the core area of functioning of the Company, (b) the conditions/limits shall be as in the case of establishing Joint Ventures/Subsidiaries and (c) the Cabinet Committee of Economic Affairs, Government of India shall be kept informed in case of investment abroad.
- (e) **To enter into contracts / negotiations**  
Subject to Sections 184 and 188 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, contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (f) **To open bank accounts**  
To open and deal with current accounts, overdraft accounts with any bank/banks for carrying on any business of the Company.
- (g) **To acquire and dispose of property and rights**  
Subject to applicable provisions of the Act and Applicable Law, 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 to sell, let exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges, and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.
- (h) **To pay for property in debentures, etc.**  
At their discretion and subject to the provisions of the Act and Applicable Law, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or Shares, bonds, Debentures, mortgages, or other Securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may

be agreed upon all or any part of the property of the Company and its uncalled capital or not so charged.

(i) **To secure contracts by mortgages**

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 Company being or in such manner as they may think fit.

To execute in the name and on behalf of the Company or 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 or 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.

(j) **To appoint Trustees**

To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.

(k) **To bring and defend actions etc.**

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.

(l) **To refer to arbitration**

To refer any claims or demands by or against the Company to arbitration and observe and perform the awards and to act on behalf of the Company in all matters relating to bankrupts and insolvents.

(m) **To act in matters of bankrupts & Insolvents**

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

(n) **To invest moneys**

Subject to the applicable provisions of the Act and Applicable Law, to invest and deal with any moneys of the Company not immediately required for the purpose 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 the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.

(o) **To give security by way of Indemnity**

To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability, for the benefit of the Company, such mortgages of the Company's property (present or 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.

(p) **To authorize acceptance etc.**

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

(q) **To give percentages**

Subject to provisions of Applicable Law, to give to a Director or any officer or any other person whether employed or not by the Company, share or shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.

(r) **To establish and support charitable objects**

To establish maintain, support and subscribe to any charitable or public objects, and any institution, society or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business, to give pensions, gratuity, or charitable aid to any person or persons who have served the Company or to the wives, children, or dependents of such person or persons, that may appear to the Directors just or proper, whether any such person, his widow, children or dependants, have or have not a legal claim upon the Company.

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 of locality of operation, or of public and general utility or otherwise.

(s) **To recommend dividend**

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 equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes 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 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding 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 of such funds interest at such rate as the Board may think proper.

(t) **To appoint officers etc.**

Subject to the provisions of the Act and applicable law, to create the posts of and to appoint, and at their discretion, remove or suspend such General Managers, Deputy General Managers, Managers, other officers below the rank of Managers, Assistants, Supervisor, Clerks, and Workmen, permanent, temporary or special services as they may for 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.

(u) **Local Board**

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 persons to the members of such local boards and to fix their remuneration.

(v) **Power of Attorney**

At any time and from time to time by power of attorney under the Seal of the Company, if any, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under those presents) and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money') 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 or any of the Members of any Local Board, established as aforesaid or in favour of any company, or the shareholders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit.

Any such delegates or Attorneys as aforesaid may be authorised by the Directors to sub-delegate all or any of the power, authorities and discretions for the time being vested in them.

(w) **Delegations**

Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or 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.

To further delegate the powers relating to Human Resource Management (appointments, transfer, postings etc.) of below Board level executives to Sub-Committees of the Board or to executives of the Company, as may be decided by the Board from time to time.

(x) **To take insurance**

To take insurance on behalf of its Managing Director, whole-time Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any person in senior management for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.



(y) **Miscellaneous**

Notwithstanding anything contained elsewhere in these Articles, the Board of Directors shall exercise all such powers as may be enhanced, authorized or delegated by the Government to MoU signing PSUs or Mini-Ratna Companies from time to time.

**POWER OF CHAIRMAN & MANAGING DIRECTOR**

262. The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon the Chairman & Managing or whole time Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

**POWER TO AUTHENTICATE DOCUMENTS**

263. Any Director or the Company Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

264. Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.

**THE SEAL**

265. The Board may 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 Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

266. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.

267. 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 Directors and of the

Company Secretary or such other person as the Board may appoint for the purpose; and the Director and the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

268. The Board shall provide for the safe custody of the Seal.

### **MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS**

269. Subject to the provisions of the Act the following shall have effect:

(a) The Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

(b) Subject to the provisions of the Act, the Board may at any time establish any local Directorate for managing any of the Delegation of the affairs of the Company outside India, and may appoint any person to be member of any such local Directorate or any manager or agents and may fix their remuneration and, save as provided in the Act, the Board may at any time delegate to any person so appointed, any of the powers, authorities and discretions for the time being vested in the Board and 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 annual or vary any such delegations.

270. The Board may, at any time and from time to time, by power of attorney under Seal, if any, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those which may be delegated by the Board under the Act and for such period and subject to such conditions as the Board may, from time to time, think fit, and such appointments may, if the Board thinks fit, be made in favour of the members or any of members of any local directorate established as aforesaid, or in favour of the Company or of the Members, Directors, nominees or Officers of the Company or firm or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such Power of Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.

271. Any such delegate or Attorney as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

272. The Company may exercise the power conferred by the Act with regard to having an Official seal for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Member or debenture holders residents in any such state or country and the Board may, from time to time make such regulations not being inconsistent with the provisions of the Act, and the Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of the local law and shall in any case comply with the provisions of the Act and Applicable Law.

## **DIVIDENDS AND RESERVE**

### **Division of profits**

273. The profits of the Company, subject to any special rights as to Dividend created or authorized to be created by these Articles and subject to the provisions of those presents as to reserve fund shall be divisible among the Members in proportion to the amount of capital paid-up on the Shares held by them respectively.

### **The Company in General Meeting may declare a Dividend**

274. The Company in General Meeting may declare Dividends to be paid to Members according to their respective rights and interest in profits and may fix the time for payment, but no Dividend shall exceed the amount recommended by the Board. The Company in General Meeting may, however declare a smaller Dividend. No dividend shall bear interest against the Company.

### **Dividend only to be paid out of profits**

275. The Dividend can be declared and paid only out of the following profits:

- (a) Profits of the financial year, after providing depreciation as stated in Section 123(2) read with Schedule II of the Act and Applicable Law.
- (b) Accumulated profits of the earlier years, after providing for depreciation u/s 123(2) read with Schedule II of the Act and Applicable Law.
- (c) Out of money provided by Central or State Government for payment of dividend in pursuance of a guarantee given by the Government.
- (d) If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year 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 Section 123(2) of the Act or Applicable Law, or against both.

### **Transfer to reserve**

276. 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 applicable 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, thinks fit.
277. Such reserve, being free reserve, may also be used to declare Dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and the rules made in that behalf.
278. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

### **Interim Dividend**

279. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

### **Calls in advance not to carry rights to participate in profits**

280. 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 participate in profits.

### **Payment of pro rata Dividend**

281. 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 such Share shall rank for Dividend accordingly.

### **Deduction of money owed to the Company**

282. 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.

### **Rights to dividend where shares transferred**

283. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

### **Dividend to be kept in abeyance**

284. The Board may retain the Dividends payable in relation to such Shares, any offer of rights Shares under clause (a) of sub-section (1) of section 62 and any issue of fully paid-up bonus Shares in pursuance of first proviso to sub-section (5) of section 123. The Board may also retain dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.

### **Notice of Dividend**

285. Notice of any Dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

### **Manner of paying dividend**

286. Any Dividend, interest or other monies payable in cash in respect of shares may be paid by any Electronic Mode to the Shareholder entitled to the payment of the Dividend, or by way of 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.
287. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any Dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means.

### **Receipts for dividends**

288. 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.

### **Non-forfeiture of unclaimed dividend**

289. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid dividends.

## ACCOUNTS

### Directors to keep true accounts

290. The Company shall keep at the Registered Office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.
291. Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered 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.
292. The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
293. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date are sent by the branch office to the Company at its Registered Office or at any other place in India, at which the Company's Books of Account are kept as aforesaid.
294. The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the Registered Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

### Inspection of books of accounts by Members

295. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.
296. No person (not being a Director) other than the President or his nominees shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

### Preparation of financial statements

297. At every Annual General Meeting the Board shall lay before such meeting financial statements prepared in accordance with the provisions of Section 129 of the Act.

### **Preparation of revised financial statements**

298. Subject to the provisions of Section 131 of the Act and the rules made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards' Report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of Section 129 or Section 134 of the Act.

## **AUDIT**

### **Auditors to be appointed**

299. The Statutory Auditors shall be appointed or re-appointed by the Comptroller and Auditor General of India and Cost Auditors, if any, shall be appointed by the Board. The rights and duties of Auditors shall be regulated in accordance with Sections 139 to 148 of the Act and Applicable Law.
300. Secretarial Auditors shall be appointed by the Board and their rights and duties shall be regulated in accordance with Sections 204 of the Act and Applicable Law.

## **DOCUMENTS AND NOTICES**

### **Service of documents and notice**

301. A document or notice may be served or given by the Company on any Member either personally or sending it by post to him to his registered address or (if he 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 by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law thereunder.
302. Where a document or notice is sent by post, services 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 notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents 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 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 post.

### **Newspaper advertisement of notice to be deemed duly serviced**

303. A document or notice advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears to every Member who has no registered



address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.

#### **Notice to whom served in case of joint shareholders**

304. A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the Share.

#### **Notice to be served to representative**

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

#### **Service of notice of General Meetings**

306. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every Member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.

#### **Members bound by notice**

307. 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 Shares, previously to his name and address being entered in the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such Shares.

#### **Documents or notice to be signed**

308. 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 signatures thereto may be written, printed or lithographed.

#### **Notice to be served by post or other electronic means**

309. All documents or notices to be served or given by Members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office or by such other electronic means as prescribed in Section 20 of the Act and Applicable Law thereunder.

## **Admissibility of micro films, computer prints and documents to be treated as documents and evidence**

310. Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 are complied with.
311. All provisions of the Information Technology Act, 2000 relating to the electronic records, including the manner and format in which the electronic records shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under section 398 of the Act.

## **WINDING UP**

312. Subject to the provisions of Chapter XX of the Act and Applicable Law thereunder—
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, 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 the like sanction shall think fit.
  - (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.
  - (d) This clause is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

## **INDEMNITY**

### **Directors' and others right to indemnity**

313. Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company, and it shall be the duty of the

Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court. Every officer of the company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in which relief is granted to him by the court or the Tribunal.

#### **Not responsible for acts of others**

314. Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

#### **BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS**

315. Every Member and other Security holder will use rights of such Member/ security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes and in case of persistent abuse of powers, expulsion of such Member or other Security holder.

## **SECRECY**

316. Every Director, Key Managerial Personnel, manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the law of the country and except so far as maybe necessary in order to comply with any of the provisions in these presents and the provisions of the Act.
317. Subject to the provisions of these Articles and the Act, no Member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information regarding any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be expedient in the interest of the Company to communicate to the public.

## **DIRECTIVES FROM THE PRESIDENT**

318. Notwithstanding anything contained in any of these Articles, the President may from time to time issue such directions or instructions as he may consider necessary in regard to the affairs or the conduct of the business of the Company or Directors thereof and in like manner may vary and annul and such direction or instruction. The Directors shall duly comply with and give immediate effect to directions or instructions so issued. In particular, the President shall have power:
- (a) to call for such returns, accounts and other information with respect to the property and activities of the Company as may be required from time to time, and
  - (b) to give directions to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest and to ensure that the Company give effect to such directions.

Provided that all directives issued by the President shall be in writing addressed to the Chairman & Managing Director of the Company. The Board shall, except where the President consider that the interest to the national security requires otherwise, incorporate the contents of directives issued by the President in the Annual Report of the Company and also indicate its impact on the financial position of the Company.

#### **GENERAL AUTHORITY**

319. 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 authorised by its articles, then and in that case by virtue of this Article, the Company is hereby specifically authorised, empowered and entitled to have such right, privilege or authority to carry out such transactions as have been permitted by the Act without there being any separate/specific article in that behalf herein provided.