

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GANDHI SPECIAL TUBES LIMITED

1. The regulations contained in the table marked 'A' in the first schedule to the Companies Act, 1956, shall not apply to the Company.

Table 'A' not to apply

The regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory power of the Company in reference to the repeal or alteration of or addition to its regulations by special resolution, as specified by the said Act, be such as are contained in these Articles.

Company to be governed by these Articles

INTERPRETATION

2. In the interpretation of these Articles, the following expressions shall have the following meanings unless repugnant to the subject or context and the marginal notes to the Articles shall not affect the construction thereof.

Interpretation clause

- (a) "The Act" or "The said Act" means the Companies Act, 1956 and any other Act for the time being in force concerning Joint Stock, Companies and affecting the Company.

"The Act"

- (b) "Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.

'Special Resolution'

- (c) "Board of Directors" or "Board" means the Board of Directors of the Company

Board of Directors'

- (d) "Director" means the director of the Company for the time being

'Directors'

- (e) "Office" means the registered office for the time being of the Company.

'Office'

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| (f) "The Register" means the Register of members to be kept pursuant to the said Act. | 'Register of Members' |
| (g) Dividends" includes bonus. | 'Dividends' |
| (h) "These Presents" means and includes the Memorandum and Articles of Association and the regulations of the Company from time to time in force. | "These Presents' |
| (i) "Seal" means the common seal for the time being of the Company. | 'Seal' |
| (j) Words importing the singular number include the plural number and vice versa. | 'Words' |
| (k) Words importing masculine gender include the feminine gender. Words importing persons include firm association and corporation. | 'Gender' |
| (l) Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form. | 'Writing' |
| (m) "Shareholders" or "members" means the duly registered holders from time to time of the shares of the Company. | 'Shareholders or Members' |
| (n) The term "Company" or "this Company" whenever used shall mean and include GANDHI SPECIAL TUBES LIMITED or any other name it may adopt, its successors, assignees, substitutes as well as the concern whether incorporated or unincorporated with which it amalgamates or to which it transfers its business voluntarily or by operation of law. | 'Company or This Company' |
| (o) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof for the time being in force. | Expressions which are not defined to have meanings assigned to them in the Act, unless context otherwise required |

CAPITAL

3. The Authorised share capital of the Company is Rs. 12,00,00,000 (Rupees Twelve Crore Only) divided into 2,40,00,000 (Two Crores Forty Lacs) equity shares of Rs. 5/- (Rupees Five only) each and the said capital may be increased, consolidated, decreased or divided in accordance with the Regulations of the Company and legislative provisions for the time being in force in that behalf and subject to the provisions of the Companies Act. The Company may issue Redeemable Preference Shares on such terms and conditions as it may deem proper."

4. The Company may by ordinary resolution from time to time alter the conditions of the Memorandum regarding its share capital in any one or more ways, provided for by Section 94 of the Act, by increasing or by consolidating and dividing or by conversion into stock or reconversion of stock or by subdividing or by cancelling the same.

Power of Company to alter its Share Capital

(Article 3 is amended as per the Special Resolution passed by Shareholder at their Extra Ordinary General Meeting held on 25th February, 2008)

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| <p>5. Subject to the provisions of these articles, the shares shall be at the disposal of the Directors who may allot or otherwise dispose of them to such persons on such terms and conditions and such times as they think fit and with full power to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount and for such time and for such consideration as the Directors think fit, provided that the option or right to call for shares shall not be given to any person except with the sanction of the Company in General Meeting.</p> | <p>Shares of the Directors Disposal</p> |
| <p>6. The Company in General Meeting may by ordinary resolution from time to time increase the capital of the Company to any amount by the creation of new shares including redeemable preference shares, as it may deem expedient. The creation of new shares including redeemable preference shares, shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as may be prescribed by the General Meeting resolving upon the creation thereof, 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.</p> <p>Provided that the new shares (not being preference shares) shall not carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares (not being preference shares).</p> <p>Provided further that when redeemable preference shares are issued, the Board shall have due regard to the provisions of Section 80 of the Act.</p> | <p>Increase of Capital and how carried into effect</p> |
| <p>7. Where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares including redeemable preference shares, such capital may be increased by the allotment of further shares in accordance with the provisions of Section 81 of the Act.</p> | <p>'Further issue of shares'</p> |
| <p>8. If and whenever as the result of issue of new or further shares of any consolidation or subdivision of shares, any shares become held by numbers in fractions, the Directors shall subject to the provisions of the Act and the Articles' and to the direction of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see 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.</p> | <p>'Sale of fractional shares'</p> |
| <p>9. The Board may, without any sanction of the Company, at their sole discretion allot any of the shares in the capital of the Company either at par or premium.</p> <p>Provided that option or right to make call on shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.</p> | <p>'Board's power as to allotment'</p> |
| <p>10. The Company may, from time to time, by special resolution, subject to the confirmation of the Court, reduce its capital by paying of capital or cancelling capital which has been lost or is unrepresented by available assets or reducing the liability on the shares or otherwise as may seem expedient; and capital may be paid off upon the footing that it may be called up again or otherwise. And paid up capital may be cancelled as aforesaid without reducing the nominal amount of the shares by the like amount, to the extent that the unpaid and callable capital shall be increased by the like amount.</p> | <p>Reduction of capital etc.</p> |

11. The ordinary resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from such sub-division one or more of such of shares shall have some preference or special advantage as regards dividend capital, voting or otherwise over as compared with the other or others. 'Sub-division into preferred and equity capital'
12. Whenever the share capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class, and all the provisions contained in these Articles as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power the Company would have had, if this Article were omitted. 'Modification of rights'

SHARES

13. The shares of different kinds and classes in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned, no share shall be sub-divided. 'Shares to be numbered progressively and no shares to be sub-divided'
14. Pending issue of shares, the Company shall issue letter of allotment and pending issue of share certificate transfer of shares represented by the letter of allotment will be registered by company subject to the Article of Association of company and upon delivery of letter of allotment accompanied by duly stamped and executed transfer deed in accordance with the statutory regulation prescribed in that behalf.
- 15.
- (1) The Company shall have the power to issue preference shares which are, or at the option of the Company, are to be liable to be redeemed and the Directors may, subject to the provisions of the Act, exercise such power in any manner they think fit.
 - (2) On the issue of redeemable preference shares the following conditions shall take effect:
 - (a) no such shares be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption;
 - (b) no such shares shall be redeemed unless they are fully paid;
 - (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's share premium account before the shares are redeemed;
 - (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "the Capital Redemption Reserve Account", a sum usual to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of, the Company shall, except as provided in Section 80 of the Act, shall apply as if the capital redemption reserve account were paid up share capital of the Company.

16. The Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred goods or machinery supplied or for services rendered to the Company in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted, may be issued as fully paid up shares and if so issued shall be deemed to be fully paid up shares. 'Board may allot shares as fully paid-up'
17. An application signed by or on behalf of the applicant for shares in the Company followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the register shall for the purpose of these Articles be a shareholder. 'Acceptance of shares'
18. The money (if any) which the Board shall, on the allotment of any shares by them, require or direct to be paid by way of deposit, call or otherwise shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly. 'Deposit and calls etc. to be a debt payable immediately'
19. Every member or his executors or administrators shall pay to the Company, a proportion of the Capital represented by his share or shares which may for the time being have remained unpaid thereon in such amounts, at such time or times and in such manners as the Board shall from time to time in accordance with the Company's regulations require. 'Liability of members'
- 20.
- (a) Every share certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (i) two Directors or persons acting on behalf of the Directors under a duly registered power of attorney; and (ii) the secretary or some other person appointed by the Board for the purpose. The two Directors or their attorneys and the Secretary or other person shall sign the share certificate. Certificate
- Explanation; - For the purpose of this Article, a Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- Provided always that notwithstanding anything contained in this Article the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act, or the rules made thereunder, as may be in force for the time being and from time to time.
- (b) Every member or allottee of shares shall be entitled to receive without payment a certificate under the seal of the Company, in such form as the Board shall prescribe or approve, specifying the share or shares allotted to him and the amount paid thereon. Two or more joint allottees of a share shall for the purpose of this Article be treated as a single member and the certificate of any share which may be the subject of joint ownership may be delivered to anyone of such joint owners on behalf of all of them.
21. Renewal of Certificate
- (1) No certificate/s of any share or shares or debentures 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, decrepited, worn out, or rendered useless from any cause whatsoever, or where the copies on the reverse for recording transfers have been fully utilised, unless the certificates in lieu of which they are issued are surrendered to the Company, provided that the Company may charge such fee, if any, not exceeding one

rupee per certificate issued on splitting or consolidation of Certificate into lots of other than market unit of trading on the stock exchange or in replacement of certificates that are defaced or torn, as the Board thinks fit. Any renewed certificate may be marked as such.

- (2) No duplicate certificates shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board or without payment of such fee, if any not exceeding one rupee per certificate, and on such reasonable terms, if any, as to evidence of such loss or destruction and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit. The Directors may in their discretion waive payment of such fee in the case of any certificate or certificates.
- (3) Where a new certificate has been issued as aforesaid, particulars of every such certificate shall also be entered in a Register of Renewed and Duplicate Certificates indicating against the name or names of the person or persons to whom the certificate is issued, the number and the date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Member by suitable cross-references in the "Remarks" Column. All entries made in the said Register shall be authenticated by the Secretary or such other person as may be appointed by the Board for purposes of sealing and signing the share certificate under provisions of Article 17 (a).

Explanation :- In Articles 17 and 18 hereof, unless the context otherwise requires "Board" means the Board of Directors of the Company or a Committee thereof consisting of not less than three Directors when the total number of Directors exceeds six, and not less than two Directors when the total number does not exceed six.

22. If any shares stands in the names of two or more persons, any one of them as regards receipts of dividends or bonus, service of shall notice and all or any other matters connected with the Company except voting at meeting and the transfer of shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as Jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.
23. Save as herein otherwise provided the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly, shall not except as ordered by a Court of competent jurisdiction or by the Act required, be bound to recognise any equitable or other claim or interest in such share on the part of any other person.
24.
 - (i) None of the funds of the Company shall be employed in the purchase of or lent on shares of the Company.

Provided that nothing in Clause (i) shall be taken to prohibit:

 - (a) The provisions by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for, fully paid shares in company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company including any Director holding salaried office or employment in the Company.
 - (b) The making by the Company of loans, within the limit laid down in clause (ii), to persons (other than Directors) bona fide in the employment of the Company with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company to be held by themselves by way of beneficial ownership.

'Any one of joint holders deemed share holder'

'Funds of the Company not to be employed for purchase of or lending on shares of the company'

- (ii) No loan made to any person in pursuance of sub-clause (b) of provision to clause (i) shall exceed the amount of his salary or wages at that time for a period of six months.
- (iii) Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 90 of the Act or under any corresponding provision in any previous Companies Law.

24 A. Notwithstanding anything contained in Article 24, if and when it is permitted by law for a company to purchase or finance purchase of its own shares or securities, the Board of directors may, if thought fit, buy back or finance to buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law.

(As per the Special Resolution passed by the Shareholders at their Annual General Meeting held on 28.09.1998).

24 B. COMPLIANCE OF GUIDELINES FOR BUYBACK OF SHARES

On exercising the powers for Buyback of its own shares under the Article 24A, the Company shall comply with the Guidelines as laid down by the Securities and Exchange Board of India (SEBI) or the Stock Exchange or any other authority and shall also maintain record of share certificates which have been cancelled and destroyed as may be prescribed under section 77A of the Companies Act, 1956 or any enactment relating thereto.

25. Every shareholder who shall change his name or address shall give notice of the change of name or address to the Company.

Notice of change
of name or
address

25A. For the Purpose of this Article:

- i)'Beneficial Owner' means a person or persons whose name is recorded as such with a depository.
- ii)'SEBI' means the Securities and Exchange Board of India
- iii)'Depository' means a Company formed and registered under companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and
- iv)'Security' means such security as may be specified by SEBI from time to time.

25 B.

1) Dematerialization of Securities:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

2) Option for Investors:

Every person subscribing to securities offered by the Company shall have the option to receive security certificates 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, and the Company shall, in the manner and within the time prescribed, issue to the

beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

3) Demat Securities in fungible form:

All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

4) Rights of Depositories and Beneficial Owners:

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Same as otherwise provided in (a) 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.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and subject to all the liabilities in respect of his securities, which are held by a depository.

5) Records of beneficial ownership:

Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

6) Transfer of Demat shares:

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as a beneficial owners in the records of a depository.

7) Allotment of Securities dealt with by a Depository:

Notwithstanding anything in the Act or these Articles, where securities are dealt with by depository, the Company shall intimate the detail thereof to the depository immediately on allotment of such securities.

8) Distinctive Numbers and securities held in Depository:

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 in a depository.

9) Depository to furnish information:

Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

10) Cancellation of certificates upon surrender by a person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its record the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

11) Option to opt out in respect of any security:

- a) Subject to the provisions of section 8 of the Depositories Act, 1996, if a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository accordingly.
- b) The depository shall on receipt of intimation as above make appropriate entries in its records and shall inform the Company.
- c) The Company shall, within thirty days of the receipt of the intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

12) Beneficial Owner deemed as an absolute owner

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 recognize 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 security other than an absolute right thereto, in accordance with these Articles on the part of any person whether or not it shall have express or implied notice thereof.

13) Section 83 and 108 of the Act not to apply

Notwithstanding anything to the contrary contained in the Articles:-

- a) Section 83 of the Act shall not apply to the shares held with a depository.
- b) Section 108 of the Act shall not apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of the depository.

14) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners, maintained by the Depository under the depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles."

25 C. NOMINATION OF SHARES/ DEPOSITS

- (i) Notwithstanding anything to the contrary in these Articles every holder of shares, or holder of Debentures of the Company may, at any time nominate, in the prescribed manner under Section 109A of the Act, a person to whom his shares in, or Debentures of the Company shall vest in the event of his death.
- (ii) A member or debenture holder may revoke or vary his nomination at any time by notifying the Company to this effect.
- (iii) 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 under Section 109A of the Act, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint holders.
- (iv) Notwithstanding anything contained in any other law for time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of the Company, where a nomination made in the prescribed manner under Section 109A of the Act, 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 Shareholder or holder of debentures of the Company or, as the case may be, on the death of the

Joint holders, become entitled to all the rights in the Shares and Debentures of the Company or, as the case may be, all the joint holders, in relation to such shares in, or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under Section 109A of the Act.

- (v) 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 Section 109A of the Act, any person to become entitled to Shares in, or Debentures of the Company, in the event of his death, during the minority.

25 D. TRANSMISSION OF SHARES UNDER NOMINATION

- (i) Any person who becomes a nominee by virtue of the provisions of the Section 109A of the Act, upon the production of such evidence as may be required by the Board and subject to as hereinafter provided, elect, either:
 - a. To be registered himself a holder of the Shares or Debentures, as the case may be; or
 - b. To make such transfer of the Share or Debenture, as the case may be, as the deceased Shareholder or Debenture holder, as the case may be could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration, as it would have had, if the deceased Shareholder or Debenture holder as the case may be had transferred the Shares or Debentures, as the case may be, before his death.
- (iii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Shares or Debentures, himself, 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 the death certificate of the deceased Shareholder or Debenture holder, as the case may be.
- (iv) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of Shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer signed by that Shareholder or Debenture holder.
- (v) A person, being a nominee becoming entitled to a Share or Debenture by reason of death of the holder shall be entitled to same dividends 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 a member in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share or Debenture, until the requirements of the notice have been complied.

25 E. NOMINATION OF DEPOSITS

The Provisions of Articles No.25C and 25D shall apply mutates mutandis to a deposit of money made with the Company as per Section 58A of the Act.

UNDERWRITING COMMISSION

26.

- (i) The Company may, at any time. pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares in or debentures of the Company but so that if

Commission for
underwriting
shares or

the commission shall be paid Or payable out of the capital, the statutory conditions and requirement shall be observed and complied with and the commission shall not exceed 5% on share and 2^{1/2} % on debentures in each case subscribed or to be subscribed.

debentures

- (ii) The Commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

INTEREST OUT OF CAPITAL

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

Payment of Interest out of capital

CALL

28. The Board may, from time to time, but subject to the conditions hereinafter mentioned, make such calls as they think fit, upon the shareholders in respect of all monies for the time being unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and every shareholder shall be liable to pay the amount of every call to the persons, and at the time and place, appointed by the Board: provided, however, that calls shall be made on a uniform basis on all shares falling under the same class. A call may be made payable by installments. A Call may be revoked or postponed at the discretion of the Board.

Board may make calls to be paid by shareholders

For the purposes of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

29. Thirty days' notice at least shall be given by the Company (either by letter to the members or by advertisement) of the time and place fixed by the Board for the payment of every call made payable otherwise than on allotment.
30. A call shall be deemed to have been made at the time when the resolution authorising it is passed.
31. The Board may from time to time at their discretion extend the time fixed for the payment of any call and may extend such time as to all or any of the shareholders whom from residence at a distance or other cause of any nature whatsoever, the Board may deem fairly entitled to such extension, but no shareholder shall be entitled to such extension save as a matter of grace and favour.
32. If any shareholder 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 for the same from the day appointed for the payment thereof to the time of actual payment of such rate as shall from time to time be fixed by the Board, but nothing in this Article shall be deemed to make it obligatory upon the Board to demand or recover any interest from any such shareholder, but the Board shall have power to waive the payment of interest wholly or in part.

Notice of call

Call to date from resolution

Board may extend time

Call to carry interest

33. 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 the 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. Partial payment not to preclude forfeiture.
34. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder or one of the joint holders of the shares in respect of which such debt is accrued and 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 sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters, whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt. Evidence in action for call
35. The Board may, if they think fit, receive from any of the shareholders willing to advance the same all or any part of the amounts of their respective shares beyond the sum actually called up; and upon the moneys so paid in advance, or upon so much thereof as from time to time such advances are made, the Board may pay or allow interest at such rate as the shareholder paying the sum in advance and the Board agree upon provided always that at any time after the payment of any such money so paid in advance, it shall be lawful for the Board from time to time to repay to such shareholders so much of such money as shall then exceed the amount of the calls made upon such shares, unless there be an express agreement to the contrary and after such repayment, such shareholder shall be liable to pay and such shares shall be charged with payment of all future calls as if no such advance had been made. Payments in anticipation of calls at interest
- Provided that money so paid in advance of calls on any shares may carry interest, but shall not confer a right to dividend or to participate in profits.
36. The Company may accept from any members the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up. Power of Company to accept unpaid share capital although not called up
37. The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some of them than others. Payment of dividend in proportion to amount paid up

LIEN

38. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a time in respect of such shares and no equitable interest in share be created except upon the footing and condition that article 23 hereof will have a full effect. And such lien shall extend to all dividends and bonuses from time to time declared in

respect of such shares. Unless otherwise agreed registration of a transfer of shares will operate as a waiver of the Company's lien if any on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

The Company may sell, in such manner as the Board thinks fit, any shares on which the

Company has a lien for the purpose of enforcing the same:

PROVIDED THAT no sale shall be made:

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the shares or the person entitled thereto by reason of death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer on behalf and in the name of such members.
- (c) 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 :
 - (1) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and
 - (2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).

FORFEITURE AND SURRENDER

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| 39. If any shareholder fails to pay any call or installment on or before the day fixed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid give notice to him Or his heir, administrator, executor or assignees or if none be known to the Company, then by advertisement requiring him to pay the same together with interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. | If call not paid notice to be given to shareholders |
| 40. The notice shall name a day (not being less than seven days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid and the notice shall also state that in the event of non-payment at or before the time and at the place fixed, the shares in respect of which the call was made or installment was payable, will be liable to be forfeited. | Terms of notice |
| 41. If the requisitions of any such notice as aforesaid shall not be complied with every or any shares 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. | In default of payment, shares to be forfeited |
| 42. When any shares 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. | Notice of forfeiture to shareholder |

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| 43. Any share so forfeited shall thereupon become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person; upon such terms and in such manner as the Board shall think fit. | Forfeited share to be property of the Company and may be sold etc. |
| 44. Any shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereupon from the time of forfeiture, until payment at such rate as the Board may determine, and the Board may enforce the payment thereof if they think fit. | Shareholder still liable to pay the money owing at the time of forfeiture |
| 45. The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these presents are expressly saved. | Effect of forfeiture |
| 46. A certificate in writing under the hands of two Directors and countersigned by the Secretary that the call in respect of a share was made and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Board to that effect shall be sufficient evidence of the fact stated therein as against all persons entitled to such share and such declaration and receipt of the Company for the price of such share shall constitute a good title to such share and a certificate of proprietorship shall be delivered to the purchaser, and thereupon he shall be deemed the holder of such share discharged from all calls due prior to such purchase and he shall not be bound to see the application of the purchase money nor shall his title to the share be affected by any irregularity in the proceedings in reference to such forfeiture or sale. | Certificate of forfeiture |
| 47. In the meantime and until any share so forfeited shall be sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may at the discretion and by a resolution of the Board be remitted as a matter of grace and in favour and not as of right, on payment to the Company of the money which was owing thereon to the Company at the time of forfeiture thereof, being declared with interest for the same up to the time of the actual payment thereof, if the Board shall think fit to receive the same, or on any other terms which the Board may deem reasonable. | Forfeiture may be remitted |
| 48. The provisions of these Article as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of the issue of a share becomes payable at a fixed time, whether on account of the amount of the share or by way of premium as if the same had been payable by virtue of a call. | Provisions relating to forfeiture to apply in case of non-payment of sum on the issue of share |
| 49. The Board may, at any time so far, as may be permissible by law, accept the surrender of any share, from or by any shareholder desirous of surrendering on such terms as the Board may think fit. | Board may accept surrender of shares |

50. Upon any sale after surrender Or for enforcing a forfeiture purported to have been exercised by virtue of the powers herein before given the Board may cause the purchaser's name to be entered in the register in respect of the shares sold and the person to whom the share is sold or disposed of shall not be bound to see the regularity of the proceedings or to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in tile proceedings in reference to the sale or disposal of the share. The validity of sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- Validity of sales on enforcement of forfeiture on, and surrender of shares

TRANSFER AND TRANSMISSION OF SHARES

51. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.
- Register of transfers
52. Shares in the Company may be transferred by an instrument in writing in the form prescribed from time to time and before it is signed by or- on behalf of the transferor, the same should be presented to the Registrar of Companies or other prescribed authority who shall have stamped or otherwise endorsed thereon the date on which it is so presented and thereafter it shall be delivered to the Company at any time before the date on which the Register of Members is closed for the first time after the date of such presentation or within two months from the date of such presentation, whichever is later. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof.
- Shares to be transferred by an instrument in writing
53. Every such instrument of transfer shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain a holder of such until the name of the transferee is entered in the Register of Members in respect thereof.
- To be executed by transferor and transferee
54. The Company may on giving seven days notice by advertisement in some newspaper circulating in the district in which Registered Office of the Company is situated, close the Register of Members for any time or times not exceeding in the whole 45 days in each year and not exceeding 30 days at a time.
- Closing of Register
- 55.
- (a) The Board subject to the right to appeal conferred by Section 111 of the Act, may decline to register any transfer of shares in any case in which the Company has lien upon the shares or any of them or unless the transferee is approved by the Board. Provided that 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. The Board shall in no case be bound to give or assign any reason for their refusal to register or allow any transfer and the Board's power at their Own discretion to refuse any transfer, shall not he affected by the fact of the proposed transferor being already a registered shareholder of the Company. If the Board refuse to register a transfer of any share, they shall within One month after the date on which the transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.

- (b) Notwithstanding anything contrary contained in the Articles the Board of Directors may refuse applications for subdivision or consolidation of share certificates into denominations of less than 50 except when such sub-division or consolidation is required to be made to comply with a Statutory Order or an order of a competent Court of Law.

Without prejudice to the generality of the foregoing the Directors shall be entitled to refuse an application for transfer of less than 50 Equity Shares of the Company subject however, to the following exceptions:

- (i) Transfer of equity shares made in pursuance of any Statutory Order or an order of a Competent Court of Law.
- (ii) Transfer of the entire holding of equity shares of a member, which is less than 50, to one or more transferees provided that the total holding of the transferee or each of the transferee as the case may be will not be less than 50 shares after the said transfer.

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| 56. The Board shall have the same right to decline to register a person entitled for transmission to any shares or his nominees, as if he were the transferee named in an ordinary transfer presented for registration. | Board may refuse transmission |
| 57. The provisions of Articles 51 and 52 dealing with Board's power to decline to register the transfer and transmission of shares shall also apply in case of debentures. | Articles 51 ad 52 apply in case of debentures |
| 58. In the case of death of anyone or more of the persons named in the Register as joint holders of any share the survivor or survivors shall be the only person recognised by the Company as having any title to or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. | Death of one or more joint shareholders |
| 59. The executors or administrators of a deceased shareholder, not being one of the several joint shareholders shall be the only person recognised by the Company as having any title to his shares and the Company shall not be bound to recognise such executors or administrators unless such executor or administrator shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in India provided that in any case when the Board in their absolute discretion think fit the Board may dispense with production of Probate, Letters of Administration or Succession Certificate and under the next Article register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased shareholder. | Title to shares of deceased holder |
| 60. Any person interested in a share in consequence of the death or insolvency of any shareholder or by any lawful means other than by a transfer in accordance with these presents, upon producing evidence that he sustains the character in respect of which he proposes to act under this clause, or of his title, may with the consent of the Board (which they shall not be under any obligation to give) and giving such indemnity as the Board think sufficient, either be registered himself as the holder of the share or may elect to have some persons nominated by him, and approved by the Board registered as such holder, provided nevertheless that he shall testify the election by executing to his nominee an instrument of transfer of the share, in accordance with the provisions herein contained and until he does so he shall not be free from any liability in respect of the share. | Registration of person entitled to share otherwise than by transfer |

61. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
- Provided that the Board may at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares until the requirements of the notice have been complied with.
- Rights and obligations of persons entitled to share otherwise than by transfer
62. The instrument of transfer shall be presented to the Company together with such evidence as the Board may require to prove the title of transferor and generally under and subject to such conditions and regulations as the Board shall from time to time prescribe, and every registered instrument of transfer shall remain permanently in the custody of the Company.
- Presented with evidence of title
- 62A. The instrument of transfer after registration shall be retained by the Company and shall remain in its custody. All instruments of transfer which the Board may decline to register shall, on demand be returned to the person depositing the same. The Board may cause to be destroyed all instruments of transfer (including those relating to Debentures) lying with the Company after such period as the Board may determine.
- (As per the Special Resolution passed by the Shareholders at their Annual General Meeting held on 31.07.2001)**
63. Every transmission of a share shall be verified in such manner as the Company may require and the Company may refuse to register any such transmission until the same be so verified and the regulations of the Company be complied with.
- Board may require evidence of transmission
64. The Board may decline to recognise any transmission of any share unless the application for transmission is accompanied by the certificates of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right to transmission.
- The Board may refuse transmission for want of evidence
65. The Board may also decline to recognise any instrument for transfer unless :
- a. The instrument of transfer is accompanied by the certificates 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;
- b. the instrument of transfer is in respect of only one class of shares;
- and c. the instrument of transfer is duly stamped;
- d. the instrument of transfer is in accordance with Article No. 48.
- The Board may refuse transfer for want of evidence of title etc.
66. The Company shall incur no liability or responsibility whatever in consequent of their 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 an equitable right, title or interest to the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound
- The Company not liable for disregard of a notice prohibiting registration of a transfer

or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title, or interest or be under any liability whatsoever for refusing or neglecting to do so though it may have been entered or referred to, in: some book of the Company, but the Company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereto, if the Company shall think fit.

67. Copies of the Memorandum of Association and Articles of Association and of these presents and other agreements and resolutions referred to in Sections 39 and 192 of the Act, shall be furnished by the Company to every shareholder at his request on payment of one rupee for each copy.

Copies of Memorandum and Articles of Association etc. to be furnished

CONVERSION OF SHARES INTO STOCK

68. The Board may, with the sanction of a general meeting, convert any paid up shares into stock, and when any shares shall have been converted into stock the several holders of such stock may thenceforth transfer their respective interests therein or any part of such interests in the same manner and subject to the same regulations as and subject to which fully paid up shares may be transferred or as near thereto as circumstances will admit.

Shares may be converted into stock

69. The stock shall confer on the holders thereof respectively the same privileges and advantages as regard participation in profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company but so that none of such privileges or advantages except the participation in profits of the Company shall be conferred by any such aliquot part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. And same as aforesaid, all the provisions herein contained so far as circumstances will admit, apply to stock as well as to shares. No such conversion shall affect or prejudice any preference or other privilege. The Company may at any time reconvert any stock into paid up shares of any denomination.

Right of stockholders

GENERAL MEETING

70.

- (1) The Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meeting as such in the notice calling it and not more than fifteen months shall elapse between the date of one annual general meeting and that of the next; provided that the time *may* be extended by a further period not exceeding three months, if the same has been permitted by the Registrar for any special reason.
- (2) Every annual general meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company Or at some other place within the limits of the town or city where the registered office of the Company is situated at the relevant time.

Annual General Meeting

71. The general meeting referred to in Article 66 shall be called and styled as 'annual general meeting' and all other meetings shall be called extraordinary general meetings

Distinction between Annual General Meeting and Extra-ordinary General

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| | Meeting |
| 72. The Board may, whenever they think fit, call an extra-ordinary general meeting of the Company and they shall in regard to any matter on the requisition of members of the Company representing not less than one tenth of such of the paid-up capital of the Company, as at the date of requisition, carries the right of voting in regard to that matter, forthwith proceed to convene an extraordinary general meeting of the Company and in the case of such requisition, the provision of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided. | Calling of Extra-ordinary General Meeting |
| 73. Subject to the provisions of sub-section (2) of Section 171 of the Act as regards shorter notice, a general meeting of the Company may be called by giving not less than twenty one days' notice in writing. Every such notice shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. These shall appear with reasonable prominence as a statement in the notice that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member. And in case of a special business, an explanatory statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of 'every director shall be annexed to the notice. Provided that where any items of special business as aforesaid to be transacted at a meeting of the Company, relates to, or affects, any other company, the extent of shareholding interest in that other company of every director of the Company shall also be set out in the statement if the extent of such, shareholding interest is not less than twenty percent of the paid-up share capital of that other Company. Where any item of business consists of the according of approval to any document by the meeting the time and place where the document can be inspected shall be specified in the statement aforesaid. The above notice shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting and by the provisions of the Act, to such persons as are under the Act or the regulations of the Company entitled to receive such notices from the Company but the accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any general meeting. | Notice of Meeting |
| 74. Every such notice shall be signed by the Managing Director/s and/or Executive Director or by such other officer as the Board may appoint, except in case of a meeting convened by shareholders in accordance with these presents in which case the notice may be signed by the shareholders convening the same, or by any five or more of them. | By whom to be signed |
| 75. Every annual general meeting shall be competent to receive and consider profit and loss account, the balance sheet and the reports of the Board and of the auditor, to declare dividends, to elect directors and to appoint auditors and to fix the remuneration of the auditors without special notice having been given or explanatory statement having been annexed to the notice, of the purposes for which it is convened or of the business to be transacted thereat. Any business other than the above business to be transacted at the annual general meeting and all business to be transacted at any other general meeting shall be deemed special. | Business of Annual General Meeting |

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| 76. With the exceptions mentioned in the foregoing Article as to the business which may be transacted at any annual general meeting without explanatory statement having been annexed to the notice calling the general meeting, no annual general meeting, or extra-ordinary general meeting shall be competent to enter upon, discuss, or transact any business which had not been specially mentioned in the notice or notices upon which it was convened. | Notice of other business to be given |
| 77. Five members personally present shall be the quorum for any general meeting of the Company. | Quorum to be present |
| 78. If, at the expiration of half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine. | If quorum not present, meeting to be dissolved or adjourned |
| 79. If at the adjourned meeting also a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which meeting was called. | Adjourned meeting to transact business |
| 80. The Chairman (if any) of the Board shall if willing, preside as Chairman at every general meeting, including annual and extraordinary; but if there be no such Chairman, or in case of his absence or refusal to preside, some one of the Director shall be chosen to be Chairman of the Meeting | Chairman or a Director to be Chairman of General Meeting |
| 81. If at any meeting a quorum of shareholders shall be present, and the chair shall not be taken by the Chairman of the Board or by a Director at the expiration of fifteen minutes from the time appointed for holding the meeting, or if before the expiration of that time all the Directors decline to take the chair the shareholders present shall choose one of their own member to be Chairman of the meeting. | In case of absence of or refusal by a Chairman or Directors a shareholder may preside |
| 82. No business shall be discussed at any general meeting; except that of the election of a Chairman, whilst the chair is vacant. | Business confined to election of Chairman while Chair vacant |
| 83. The Chairman may adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of time and place of the adjourned meeting shall be given in a local daily newspaper before seven days of the day of adjourned meeting. | Chairman may adjourn meeting |
| 84. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall, both on the show of hands and at a poll (if any), have a casting vote in addition to this own votes to which he may be entitled as a member. | Motion how decided |

85. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the show of hands) demanded by at least five members, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands been carried unanimously or by a particular majority, or lost, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour, or against that resolution.
- Evidence of the passing of a resolution where poll not demanded
86. If a poll is demanded as aforesaid the same shall be taken in such manner and at such time and place and either by open voting or by ballot as the Chairman of the meeting shall direct; and either at once or after an interval or adjournment or otherwise, but not later than forty eight hours from the time when the demand was made. The demand of poll may be withdrawn. A poll demanded on a question of adjournment shall be taken forthwith.
- Poll to be taken if demanded
- 87.
- Scrutineers at Poll
- (1) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.
 - (2) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
 - (3) Of the two scrutineers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed.
- 88.
- (1) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
 - (2) The result of the poll shall be deemed to be the decision of the meeting and the resolution on which the poll was taken.
89. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- Business may proceed notwithstanding demand of poll

VOTES OF STAREHOLDERS

90. No member shall exercise any voting right in respect of any share 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 forfeiture.
- Restriction on exercise of voting right of members who have not paid calls etc.

91. Every shareholder not disqualified by the preceding Article and who has been duly registered, shall be entitled to be present, and to speak and vote at such meeting and when present in person shall have one vote on a show of hands, or on a poll when present in person or by proxy, shall have one vote in respect of every share held by him. Provided that the holders of preference shares shall have no right to be present or to vote either in person or by proxy at any general meeting by virtue or in respect of their holding of preference shares, unless a resolution is proposed affecting the rights or privileges of the holders of preference shares. A body corporate may, if it is a member of the Company, by resolution of its board of directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member of the Company.
- Number of votes to which shareholder entitled and preference shareholders not entitled to be present etc. except under certain circumstance
- Any resolution for winding up the Company or for the repayment or reduction of its share capital shall be deemed directly to affect the rights attached to preference shares within the meaning of this Article.
92. If any shareholder be a lunatic, or non-composmentis the vote in respect of his share 01' shares shall be by his committee or other legal guardian, and if any shareholder be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.
- How members non-composments or minors may vote
93. Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting personally or by proxy one of the said persons, so present, whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
- Joint holders
94. The instrument appointing a proxy shall:-
- (a) be in writing; and
- (b) be signed by the appointer or his attorney duly authorised in writing if the appointer is a body corporate, \be under its seal or be signed by officer or an attorney' duly authorised by it.
- Instrument of proxy
95. The instrument appointing a proxy and the power of attorney, or other authority if any, under which it is signed or notarially certified copy of that power of 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 named1n the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- Deposit of instrument of proxy and power of attorney
96. If any such instrument of appointment be confined to the object of appointing an attorney of proxy, or substitute, it shall remain permanently, or for such time as the Board may determine, in the custody of the Company if embracing other objects, a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- Custody of the instrument

97. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of proxy or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting.

When vote by proxy valid through authority revoked

98. Every instrument for proxy for meeting shall be in any of the following forms, or shall as nearly as circumstances will admit be in any of the forms and to the effect following:

Form of proxy

GENERAL FORM

GANDHI SPECIAL TUBES LIMITED

"I/We _____ of _____ in the district of _____ being a member/members of the abovementioned hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the annual general/extra-ordinary general meeting (not being an annual general meeting) of the Company to be held on the _____ day of _____ --and at any adjournment thereof. Signed this _____ day of _____.

Form for affording members an opportunity of voting for or against a resolution.

GANDHI SPECIAL TUBES LIMITED

"I/We _____ of _____ in the district of _____ being a member/members of the abovenamed Company hereby appoint _____ of _____ in _____ the _____ district of _____

_____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf for resolution Nos _____ and against Resolution Nos _____ at the annual general meeting /extra-ordinary general meeting (not being an annual general meeting) of the Company, to be held on the _____ day of _____ and at any adjournment thereof."

Signed this _____ day of _____

99. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

Time for objections to vote

100. 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 time of taking of a poll shall be the sole judge of the validity of every vote tendered, at such poll.

Chairman of any meeting to be the judge of validity of any vote

MANAGEMENT BY MANAGING DIRECTORS

101. Subject to the control and supervision of the Board of Directors the business of the Company may be carried on by one or more Managing Directors. The Managing Director shall be appointed or removed by the Board from time to time and they shall likewise fix his term, qualification, remuneration, duty, authority and powers. The remuneration may be by way of fixed salary and or commission on the net profits or turnover. The Board is given the discretion to fix the remuneration on any or all of these basis. The Managing Director shall cease to hold office if he ceases to be a Director of the Company for any reason whatsoever.

102. The Managing Director shall have such of the powers as the Board may delegate including the powers and full discretion as to the engagement and dismissal of managers, technicians, legal advisers, brokers, agents (not sale selling agents) clerks, assistants, labourers and servants and the general discretion, management and supervision of the business of the Company with full power to all acts, matters and things deemed necessary, proper or expedient for carrying on the business and concerns of the Company and to exercise all powers, authorities and discretions of the Company except only such of them as by the said Act or by these presents are directed to be exercised by the Directors in Board Meeting or by the Shareholders in General Meeting.

103. Subject to the provisions of Sections 297 and 299 of the said Act, and not withstanding anything in these articles contained and notwithstanding the relation (if any) to and the position with the Company a Managing Director is expressly allowed to work for the Company and especially to do the work of the Company as provided by these presents and to do any other work of the Company upon such terms and conditions and on such remuneration as the Board of Directors shall from time to time decide.

104. Whilst and whenever there shall be Directors of the Company In oft ice and no Managing Director, the Board shall have and exercise all the powers and perform all the duties hereby expressed by these presents to be vested in the Managing Director.

DIRECTORS

105. The First Directors of the Company shall be the following:

Directors

1. MR. MANHAR GORDHANDAS GANDHI
2. MR. BHUPATRAI GORDHANDAS GANDHI
3. MR. RASHMIKANT BHAWANIDAS DANI
4. MR. ARUN MADHUKAR RAJE

106. Unless otherwise determine by a General Meeting, the number of Directors of the Company shall not be less than three nor more than twelve and not less than two thirds of whom shall be liable to retire by rotation.

Number of
Directors

107.

- (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called the "original director") during his absence for a period not less than three months from the state in which the meetings of the Board are ordinarily held.
- (2) An alternate director appointed under sub-Article (1) shall not hold office as such for a period longer than that permissible to the original director in whose place he has been appointed and shall vacate office if and when the original director returns to the state in which meetings of the Board are ordinarily held.
- (3) If the term of office of the original director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring director in default of another appointment shall apply to the original, and not to the alternate director.

Alternate Director

108. The Director shall not be required to hold any qualification share in the capital of the Company.

Qualifications of Directors

109. Notwithstanding anything to the contrary contained in these Articles, and subject to any agreement, so long as any monies remain owing by the Company to any financial institutions out of any loan granted by them to the Company, or so long as the said institutions continue to hold shares in the Company as a result of underwriting or in any other manner whatsoever:-

Appointment of Special Directors

The said institutions shall have a right from time to time to appoint their nominee as a director (hereinafter described as "Special Director") on the Board of the Company and to remove from such office any person so appointed and to appoint any other person in his place.

Neither the Company nor its Board of Directors shall have power to remove from office the said Special Director.

The said Special Director shall not be required to hold any share qualification in the Company nor shall be liable to retirement by rotation of Directors. Subject as aforesaid, the said Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

110. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICI CI), The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Fire and General Insurance Company Limited (OFICI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation or any Financial Institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves. (each of the above is hereinafter in this Article referred to as "the Corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold debentures/shares in the Company as a result of underwriting Or by direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, wholetime or non-wholetime (which Director or Directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

Nominee Director

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

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

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

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

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

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

111.If it is provided by any trust deed securing or otherwise in connection with any issue of debenture of the Company, that any person or persons shall have power to nominate a Director or Directors of the Company, then in the case of any and every such issue of debentures the person or persons having such power may exercise such power from time to time and appoint a Director or Directors accordingly. Any Director so appointed is here in refer to as a debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed is here in refer to as a Debenture Director. A Debenture Debenture Director shall not be liable to retire by rotation, but shall automatically cease to hold office as Director If and when the debentures are fully discharged.

Debenture
Directors

112. If it is provided by any collaboration agreement entered into between the Company and its collaborators that the collaborator shall have power to nominate a Director or Directors on the Board of the Company, then the collaborator may appoint a Director or Directors accordingly.
- *113. The sitting fee of a director shall be such amount as may be fixed by the Board for every meeting of the Board or of the Committee of Directors attended by him; and such reasonable additional remuneration as may be fixed by the Board be paid to anyone or more of their members for services rendered by him or them in signing the share certificates in respect of the Company's original capital or any future or new issue thereof or any debentures issued by the Company; and the directors shall be paid such further remuneration (if any) as the Board shall from time to time determine.; and such remuneration and further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in default of such determination within the year equally.
114. If any director, being willing, shall be called upon to perform extra services, or to make any special exertions in doing or residing abroad, or otherwise for any purposes of the Company, the Board may arrange with such director for such special remuneration for such services, either by a fixed sum or by percentages of profits, or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided and the director shall be entitled to be repaid any travelling or other expenses incurred in connection with the business of the Company.
115. In addition to the remuneration payable to the directors under the preceding Articles, they may be repaid all travelling, hotel and other expenses incurred by them:
- (a) in attending and returning from meeting of the Board of directors Or any committee thereof or general meeting of the Company.
 - (b) in connection with business of the Company, if it is entrusted to the director or directors specifically by the Board.
116. A Director of the Company may become a Director or other Officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for a remuneration or other benefits received by him as a Director or Officer of, or from his interest in, such other company unless the Company otherwise directs.
117. The Board, on behalf of the Company, may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund for provisions of any such gratuity, pension or allowance.
118. The Board shall have power at any time and from time to time to appoint any persons as a Director to fill a casual vacancy, and a Director so appointed shall hold office only, upto the date upto which the Director in whose place he is appointed would have held office, if he had not vacated as aforesaid.

Sitting Fees

Remuneration for extra service

Travelling and hotel expenses to Directors attending the meeting

Director not accountable for remuneration Received from other company

Payment of pension etc. to Director who held salaried office etc. with the Company

Board may fill casual vacancy duration of office of Directors to casual vacancy

*** (Article 113 is amended as per the Special Resolution passed by Shareholder at their 27th Annual General Meeting held on 25th July, 2012)**

119. The Board shall have power at any time, and from time to time, to appoint any person as a Director as an addition to the Board.
- Additional Directors
- Provided that an Additional Director shall hold office only upto the date of the next Annual General Meeting of the Company.
- Provided further that the number of the Directors and Additional Directors together shall not exceed the maximum strength fixed for the Board by the Article 102.
120. At any Annual General Meeting of the Company in every year one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office by rotation, and the retiring Directors shall, be those who are longest in office.
- One-third Directors to retire annually how determined
121. Retiring Directors shall be eligible for reappointment.
- Retiring Directors eligible for reappointment
122. In case any question shall arise as to which of the Directors who became Directors on the same day shall retire, the same shall in default of and subject to any agreement among themselves be determined by the Board by lot.
- Decision of question as to retirement
123. The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below the quorum fixed by the Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company but for no other purpose.
- Directors may act notwithstanding vacancy
124. The Company at any General Meeting at which Directors retire in the manner above mentioned, shall fill up the vacated offices by appointing a like number of persons to the Directors and may fill up any other vacancies:
- Appointment of successors
- 125.
- (a) If the place of the Retiring Director is not so filled in and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the Retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the Retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
- (i) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
- (ii) the Retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for his appointment or reappointment in virtue of any provisions of this Act; or
- (v) the Proviso to sub-section (2) of Section 263 is applicable to the case.
- Retiring Directors to remain in office till successors appointed and automatic reappointment of retiring Directors

126. A Director may at any time give notice in writing to his wish to resign by delivering such notice to the Secretary or leaving the same at the Registered Office of the Company, and thereupon his office shall be vacated, provided that the said resignation shall have no effect unless it is accepted by the Board at its duly constituted meeting. Resignation of Directors
127. A person shall not be capable of being appointed a Director of the Company if : Disqualification of Directors
- a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
 - b) he is an undischarged insolvent;
 - c) he has applied to be adjudicated as an insolvent and his application is pending;
 - d) he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months, and a period of five years has not elapsed from the date of expiry of the sentence.
 - e) he has not paid any call in respect of shares of the Company held by him whether alone or jointly with others, and six months have elapsed from the last date fixed for the payment of the call; or
 - f) an order disqualifying him for an appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force, unless the leave of the Court has been obtained.
- Explanation: A person who has incurred disqualification described in clauses (d) or (e), may be appointed as Director, if the said disqualification is removed by the Central Government by notification in the Official Gazette.
128. When office of Director shall become vacant
- (1) The Office of a Director shall become vacant if:
 - a) he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act, or at any time thereafter ceases to hold the share qualification, required of him under Article 104;
 - b) he is found to be of unsound mind by a Court of competent jurisdiction;
 - c) he applied to be adjudicated an insolvent;
 - d) he is adjudged an insolvent;
 - e) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;
 - f) he fails to pay any call in respect of shares of the Company held by him, whether along or jointly, with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure;
 - g) he absents himself from three consecutive meetings of the Board, or from all meetings of Board for a continuous period of three months, whichever is longer without obtaining leave of absence from the Board;
 - h) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner or any private company of which he is a Director, accepts a loan, from company in contravention of Section 295 of the Act;

- i) he acts in contravention of Section 299 the Act;
- j) he becomes disqualified by an order of Court under Section 293 of the Act;
- k) he is removed in pursuance of Section 284 of the Act; or
- l) having been appointed 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.

(2) Notwithstanding anything contained in sub-clauses (d), (e) and (j) of clause (1) the disqualification referred to therein shall not take effect :

- a) for thirty days from the date of the adjudication, sentence or order;
- b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence Or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition is disposed of; or
- c) where, within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition if allowed, would result in the removal of the disqualification until such further appeal Or petition is disposed of.

129. Subject to the provisions of Sections 283, 297, 299, 300 and 314 of the Act, no Director of the Company or the firm of which he is a partner Or any partner of such firm or the private company of which he is a member or a director, shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker or any reason of his lending money to the Company, or otherwise, nor shall any such contract or any contract or arrangement entered into, by or on behalf of the Company in which any director shall be in any way interested, be avoided; nor shall any director, so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such director holding that office, or of the fiduciary relation thereby established. But it is declared that the nature of his concern or interest must be disclosed by him at the meeting of the Board at which the contract or arrangement is determined, if his interest then exists, or in any other case at the first meeting of the Board after the acquisition of his interest, and that no director shall as a director, take part in the discussion of or vote in respect of any contract or arrangement in which he is so interested and if he does so vote, his vote shall be void. Provided that no such disclosure of interest by directors will be necessary in case of any, other company where any of the Directors of the Company or two or more of them together holds or hold not more than two per cent of the paid up share capital in that other Company. Provided further that the Directors, or any of them may take part in the discussion of or vote on ;

Directors may contract with Company

- (a) any contract of indemnity against any loss which they or anyone or more of them suffer by reason of becoming or being sureties Or surety for the Company.
- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely :-
 - (i) in his being a Director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company; or
 - (ii) in his being a member holding not more than two per cent of its paid-up share capital.

A general notice that any Director is a member or a Director of any specified firm or body corporate and is to be regarded as concerned or interested in any subsequent transaction with such firm or body corporate, shall be sufficient disclosure under this Article, and after such general notice, it shall not be necessary to give any special notice relating to any particular transaction with such firm or body corporate. A Director shall not be disqualified by reason of his holding any other office or place of profit under the Company in conjunction with his office of Director, except that of auditor, and may be appointed thereto upon such terms as to remuneration, tenure of office and otherwise as the Board may arrange.

130.

- (1) The Company may, by ordinary resolution, remove a Director (not being a Director appointed by the Central Government in pursuance of Section 4(8) before the expiry of his period of notice.
- (2) Special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.
- (3) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned, and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to the members of the Company, the Company shall, unless the representations are received by it too late for it to do so :-
 - (a) in any notice of the resolution given to the members of Company, state the facts of the representations having been made; and
 - (b) send a copy of the representations to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting;

Removal of
Directors

Provided that copies of the representations need not be sent out and the representations need not be read out at the meeting, if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this clauses are being abused to secure needless publicity of defamatory matter.

- (5) Vacancy created by the removal of a Director by this Article may if he had been appointed by the Company in general meeting or by the Board in pursuance of Article 111 or 112 be filled by the appointment of another director in his stead by the meeting at which he is removed, provided special notice of the intended appointment was given under clause (2) :

A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

- (6) If the vacancy is not filled under clause (5), it may be filled as a casual vacancy in accordance with the provisions of Article 111 so far as they may be applicable and all the provisions of that Article shall apply accordingly. Provided that the Director who was removed from office shall not be reappointed as a Director by the Board.

When candidate
for office of
Director must give
notice

1. A person who is not a Retiring Director shall subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has not less than 14 days before the meeting, left at the office of the Company, a notice in writing under his hand signifying his candidature for office of Director or the intention of a member to propose him as a candidate for that office as the case may be.
2. The Company shall inform its members of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting.

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in town or city where the registered office of the Company is situated at the relevant time, of which one is published in the English language and the other in the Gujarati language.

131. The Company shall keep at its Registered Office a Register, of its Directors, Managing Directors, Manager and Secretary containing with respect to each of them the particulars as required by Section 303(1) of the Act, and shall within the periods respectively prescribed by Section 303(2) of the Act, send to the Registrar a return in duplicate in the prescribed form containing the particulars specified in the said Register and a notification in duplicate in the prescribed form of any change among its Directors, Managing Directors, Manager or Secretary specifying the date of the change.

Register of Directors and notification of changes to Registrar

POWERS OF THE BOARD

132.

- (1) Subject to the provisions of the Act, the Board shall be entitled to exercise all such powers and to do all such acts and things, as the Company is authorised to exercise and do;

General powers of the Board

Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other law or by the Memorandum or by these presents Or otherwise, to be exercised or done exclusively by the Company in General Meeting.

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act Or in any other law or in the memorandum or articles of the Company, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in that regard in general meeting.

- (2) No regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

133. Subject to and in accordance with the restrictions of power of the Board contained in Section 293 of the Act and without prejudice to the general powers conferred by Article 126 and the other powers conferred by these presents, it is hereby expressly declared that the Board shall have the following powers (which may be exercised by the managing director or directors wherever any of the powers are entrusted to them either by these presents or otherwise) that is to say, power :-

Express powers of the Board

- (a) To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, rights, credits, royalties business and goodwill of any joint stock Company carrying on the business of manufacturing and dealing in precision tubes or any other business which this Company is authorised to carry on in any part of India, also to promote, aid, foster, subsidise, or acquire interests in any industry or undertaking in any country or countries whatsoever.
- (b) To purchase, or take on lease for any term or terms of years or otherwise acquire any factories or any other undertaking or any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such price or rent, and under any subject to such terms and conditions as Board may think fit; and in any such purchase, lease or acquisition, accept such title as the Board may believe may be advised to be reasonably satisfactory.
- (c) To erect and construct, on the said land or lands, buildings houses, warehouses, sheds or tanks necessary and adapted to the working of a factory manufacturing precision tubes and to alter, extend and improve the same; to provide machinery engines and apparatus requisite for the construction of such, a factory, and the due and efficient working thereof.
- (d) To let or lease the property of the Company, in part or in whole, for such rent and subject to such conditions as may be thought advisable.
- (e) To sell such portion of the lands or building of the Company as may not be required for the purposes of the Company.
- (f) To mortgage the whole or any portion of the said property of the Company for the purposes of the Company.
- (g) At their discretion to pay for any property rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares (subject to the provisions of Section 81 of the Act), bonds, debentures, or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (h) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its uncalled capital for the time being, or in such other manner as they may think fit.
- (i) To accept from any member so far as may be permissible by law, a surrender of his shares or stock or any part thereof, on such terms and conditions as shall be agreed.
- (j) Subject to the provisions of Section 49 of the Act;
- (i) To get the shares in other body corporate to an amount not exceeding the nominal value of the qualification shares which are required to be held by a director thereof, registered or held by the Company jointly in the names of itself and of a person or nominee or in the name of a person or nominee expressly described as a nominee of the Company where the Company has a right to appoint any person or persons, or where any nominee or nominees of the Company has or have been appointed as a director or directors of any such other body corporate.
 - (ii) To deposit with a Bank being the Bankers of the Company, any shares or securities, for the collection of any dividend or interest payable thereon.
 - (iii) To deposit with or transfer to any person any shares or securities, by way of security for the repayment of any loan advanced to the Company of the performance of any obligation undertaken by it.

(k) 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, subject to the provisions of Sections 293 and 295 of the Act, to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any claims or demands by or against the Company, to arbitration and observe and perform any awards made thereon.

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

(m) 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) Subject to the provisions of Sections 77, 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security or without security and in such manner as they may think fit and from time to time to vary such investments.

(o) To subscribe for, purchase, accept, take, hold, or otherwise acquire shares of any company, society or undertaking which does, among other things the business of manufacturing and/or dealing in precision tubes or the objects of which shall either wholly or in part be similar to those of this Company or such as may be likely to promote or advance the interest of this Company.

(p) Subject to and in accordance with the provisions of Section 49 of the Act, to execute in the name and on behalf of the Company in favour of any Director or other person who may incur, or be about to incur, any personal liability whether as principal or surety for the benefits of the Company, such mortgages of the Company's property (present and future) as they think fit, and such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon.

(q) To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction, or a share in general profits of the Company; and such commission or share of profits shall be treated as part of the working expenses of the Company.

(r) To give, award or allow any bonus, pension gratuity or compensation to any employee of the Company, or his widow, children or dependents, that may appear to the Board just or proper, whether such employee, his widow, children or dependents have or have not a legal claim upon the Company.

(s) To provide for the welfare of employees (including directors) or ex-employees of the Company or its predecessors in business and wives, widows and families or the dependents or connection of such persons by building or contributing to the building of houses or dwellings or quarters or by grants of money, pensions, gratuities, allowances, bonuses profit sharing bonuses or benefits or any other payments) by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction and recreation hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.

(t) Subject to the provisions of Section 293 (1) (e) and 293A of the Act, to subscribe or contribute to or otherwise to assist or guarantee "money" to charitable, benevolent, religious, scientific, national, public or any other useful institutions objects or purposes, or for any exhibition.

(u) Before recommending any dividend, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Board may deem fit.

(v) 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 a depreciation fund, insurance fund, reserve fund or sinking fund or any special fund to meet contingencies, or to repay debentures or debenture-stock, or for special dividends, or for equalising dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes as the Board may, in its absolute discretion think conducive to the interests of the Company with power from time to time to transfer moneys standing to the credit of one fund or any part thereof to the credit of any other fund; and 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 deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in its absolute discretion, think conducive to the interests 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 fund as the Board may think fit, and to employ the assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets. If the assets constituting any of the above funds are employed in the business of the Company, the Board may pay or allow to the credit of such funds interest at such rate as the Board may think proper but not exceeding 12% per annum.

(w) At any time and from time to time, by power of Attorney under the seal of the Company, to appoint any person or persons, to be the 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 these presents and for such period and subject to such conditions as the Board may from time to time think fit.

(x) To appoint any two or more directors, directors-in-charge to carry on the management of the affairs of the Company pending the appointment or reappointment of managing directors and to pay them such remunerations as the Board think fit and within the limits permissible under the Act.

(y) For or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contract and rescind and vary all such contracts and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient.

(z) From time to time to delegate all or any of those powers and authorities to the Managing Directors of the Company with power to the Managing Directors to sub-delegate and to make, vary and "repeal by-laws for the regulation of the business of the Company, its officers and servants.

(aa) To enter into agreements with the Managing Director or Directors, Or Managers with such modification as may be deemed expedient, either before or after the execution and to carry out the same into effect, and to affix the seal of the Company to the same.

(bb) To carry on the management of the affairs of the Company in the absence of appointment or reappointment of managing directors or in the event of their resignation or removal or suspension.

(cc) And generally to do all such other acts and things as are necessary, incidental or conducive to the attainment of all or any of the objects of the Company and to sanction and authorise all such matters and things as may be necessary to be done, authorised or sanctioned in or about the execution of all or any of the powers conferred upon the Board.

134.

(1) A manager may be appointed by the Board for such terms at such remuneration and upon such conditions as it may think fit.

Appointment of manager

(2) A director may be appointed as Manager.

135. A provision of the Act or these presents requiring or authorising a thing to be done by or to a director and the manager or secretary shall not be satisfied by its being done by or the said person acting both as director and as, or in place of, the manager or secretary.

A thing required to be done by both a Director and manager or secretary not regarded as done if both done by the same person acting as a director and manager or secretary

BORROWING POWER OF THE BOARD

136. Subject to and in accordance with the provisions of Sections 292 and 293 of the Act, the Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respect as they think fit, and in particular, by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Conditions on which money may be borrowed

137. Debentures, debenture-stocks and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Securities may be assignable free from equities

138. Any debentures, debentures stock, bonds, or other securities, may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise. Provided that Debentures, Debenture stocks, Bonds or other securities with a right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

Issued at discount and with special privileges

139. Any uncalled capital of the Company may be included in or charged by any mortgage or any other security by the Board. Mortgage of uncalled capital
140. If the directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or effecting the whole or any part of the assets of the Company by way of indemnity against any loss which the directors or anyone or more of them may suffer by reason of becoming or being sureties or surety for the Company. Execution of mortgage etc. for indemnity
- PROCEEDINGS OF BOARD OR COMMITTEE OF DIRECTORS**
- 141.
- (1) A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit. Meetings of Board , Board to meet once in every 3 months quorum for meeting
- (2) The quorum for the meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two directors whichever is higher.
- Provided that where at any time the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say the number of the directors who are not interested present at the meeting being not less than two, shall be the quorum during such time.
- Explanation :- In this article-
- (a) "total strength" means the total strength of the Board after deducting therefrom the number of the directors, if any, whose places may be vacant at the time.
- (b) "interested directors" means any director whose presence _ cannot, by reason of Section 300 of the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of any discussion or vote on any matter.
142. If at the expiration of fifteen minutes from the time appointed for the Board's meeting a quorum is not present, no business shall be transacted except that of election of a Chairman and the meeting unless the Chairman otherwise directs shall stand adjourned to the same day in the next week at the same time and place. If quorum not present, Board's meeting to be adjourned
- 143.
- (a) The Board may elect a Chairman for its meetings and determine the period for which he is to hold office. Chairman of the meeting of the Board
- (b) 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 directors present may choose one of their member to be, Chairman of the meeting.
144. A director may, at any time, and the Managing Director, on his own, or upon the request of Directors in writing, shall convene a meeting of the directors. Notice of every meeting of the Board shall be given in writing to every director for the time being in India and at his usual address in India to every other director. Directors may summon meeting

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| 145. Any question which shall arise at any meeting of the Board shall be decided by a majority of votes, the Chairman shall have a casting vote in addition to his own vote as a director. | Questions at Board Meeting how decided |
| 146. A meeting of Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the articles of the Company for the time being vested in or exercisable by the Board. | Power of Board's meeting |
| 147. The Board may delegate any of their powers to the Committees consisting of such member or members of their body as they think fit. and they may from time to time revoke and discharge any such committee either wholly or in part and either as to persons or purposes; but every committee so formed shall in exercise of the powers delegated to it, conform to all such regulations as may from time to time be prescribed by the Board, all acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes of their appointment, but not otherwise, shall have like force and effect as if done by the Board. | Board may appoint committee |
| 148. All acts done by any meeting of the Board or by a committee of directors, or by any person acting as a director shall, notwithstanding that it shall afterwards be discovered that there was defect in the appointment of such director, or persons acting as aforesaid or that they or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be a director. | Acts of Directors or Committee valid notwithstanding defective appointments |
| 149. The meetings and 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 Board so far as the same are applicable thereto, and are not superseded by the express terms of the appointment of such committee or any regulations imposed by the Board aforesaid. | Regulations of proceedings of Committees |
| 150. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or to all the members of the committee, then in India (not being less in number than the quorum fixed for a meeting of the Directors or committee as the case may be), and to all other directors or members, at their, usual address in India and has been approved by such of the directors as are then in India, or by a majority of such of them as are entitled to vote on the resolution. | Passing of resolutions |
| 151. | |
| (1) The Company shall cause minutes of all proceedings of every general meeting and of all proceedings of every meeting of its Board or of every committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. | Minutes of proceedings of the Company and the Directors to be recorded |
| (2) 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 books shall be dated and signed :-- | |
| (a) in the case of minutes of proceedings of a meeting of the board or of a committee thereof, by the Chairman of the said meeting or the chairman of the next succeeding meeting. | |

- (b) in the case of minutes of proceedings of a general meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that chairman within that period, by a director duly authorised by the board for the purpose.
- (3) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (4) All appointments of officers made at any of the meetings, aforesaid shall be included in the minutes of the meeting.
- (5) In the case of a meeting of the Board or of a committee of the Board, the minutes shall also contain :
- (a) the name of the directors present at the meeting, and
 - (b) 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.
- (6) Nothing contained in this Article 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 interests of the Company;

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

152. Minutes of meetings kept in accordance with the provisions of Section 193 of the Act and Article 145 above shall be evidence of the proceedings recorded therein. Where minutes of the proceedings of any General Meeting of the Company or of any meeting of its Board or of a committee of the Board have been kept in accordance with the provisions Section 193 of the Act and Article 145 then until the contrary is proved, the meeting shall be deemed to have been duly called and held and all proceedings there at to have duly taken place, and in particular, all appointments of directors or liquidators made at the meeting shall be deemed to be valid.

Minutes to be evidence

153. The Company shall not be entitled to subscribe for, or purchase (whether by itself, or by any individual or association of individuals in trust for its benefit or on its account) the shares of any other body corporate except to the extent and except in accordance with the restrictions and conditions specified in Section 372 of the Act.

Restriction on investments

154.

- (a) The directors may, from time to time appoint one or more of their body to be managing or wholtime director/directors of the Company, for a fixed term not exceeding five years at one time for which he or they is or are to hold such office and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him Or them from office and appoint or reappoint the same person or others in his or their place or places.

Management of business by and powers of Managing Directors

- (b) Subject to any contract between him and the Company, a Managing or wholetime Director shall not, while he continues to hold that office, be subject to retirement .by rotation and he shall not be reckoned as a director for the purpose of determining the rotation of retirement of directors or in fixing the number of directors to retire, but (subject to the provisions of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the other directors of the Company and he shall, ipso facto and immediately, cease to be a managing director if he ceases to hold the office of director from any cause.
- (c) The remuneration of a managing director or wholetime director shall (subject to the provisions of any contract between him and the Company) from time to time be fixed by the directors, and may be, by way of fixed salary or by way of commission on net profits of the Company, or partly by one and partly by the other.
- (d) The directors may from time to time entrust to and confer upon a managing director or wholetime director for the time being such of the power exercisable under these presents by the directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient; and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the directors in that behalf, and may from time to time, revoke, withdraw, alter or vary all or any of such powers.
- (e) The Company in general meeting may also from time to time appoint any managing director or managing directors or whole time director or wholetime directors of the Company and may exercise all the powers referred to in this Article.
- (f) Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an effectual discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the person paying such money shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse Cheques on behalf of the Company.
- (g) The Managing Director shall be entitled to sub-delegate (with the sanction of. the Directors, where necessary) all or any of the powers authorities and discretions for the time being vested in him in particular from time to time to provide by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
- (h) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for any contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.

SEAL

155.

- (a) The Board shall have power to provide a Seal for the purposes of the Company, and from time to time to destroy the same, and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for the time being and it shall not be used

Seal

except by the authority of the Board or a committee of the directors and in the presence of at least one of them, who shall sign every instrument or deed to which the seal is affixed and every such instrument or deed shall be countersigned by the Managing Director or Secretary or such other person appointed by the directors; provided nevertheless that certificates of shares or debentures may be sealed and signed in the manner provided in Article 17.

- (b) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

ACCOUNT

157. The Company shall keep at its registered office or at such other place as may be necessary subject to the compliance with the provisions of the Companies Act, 1956 proper books of Account with respect to:-

Accounts

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decided, 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.

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

157. 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, and no member not being a director shall have any right of inspection of any account or, book or document of the Company except as conferred by the Act.

Inspection by members

158. At each annual general meeting, the Board shall lay before the Company a profit and loss account, a balance sheet and Board's Report and such profit and loss account and the balance sheet and Board's report shall comply with the provisions of Sections 210, 211, 215, 216 and 217 of the Act.

Statements of accounts and report to be furnished to General Meeting Balance Sheet to be served on every member

159. Every such account and balance sheet shall be accompanied by a report of the Board as to the state of the Company's affair-s, as to the amounts, if any, which they recommend to be paid out of the profits by way of dividend to the members and the amounts, if any which they propose to carry to any reserves in the balance sheet, and as to the material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of the report, according to the provisions in that behalf herein/before contained.

160. The Company shall send a copy of the balance sheet and profit and loss account duly audited together with a copy of the auditors' report to the registered address of every members of the Company at least 21 days before the meeting at which it is to be laid before the members of the Company and shall deposit a copy at the registered office of the Company for the inspection of the members of the Company during the period of at least 21 days before the meeting.

161. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in general meeting shall be conclusive except as regards any matters in respect of which modifications may from time to time be considered proper by the Board of Directors and Approved by shareholders at a general meeting.

AUDIT

162. The Accounts of the Company shall, once at least in every year, be examined and the correctness of the profit and loss account and balance sheet ascertained, by one or more auditor or auditors

Accounts to be audited

163. Auditors shall be appointed and their duties regulated in accordance with Sections 224, 224A, 225, 226 and 227 of the Act. All notices of and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the auditor of the Company, and the auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as an auditor.

Appointment, qualification, remuneration and powers and duties of auditors

164. Every account of the Company when audited and approved by a general meeting shall be conclusive, and if any error is discovered thereafter the same shall be corrected in the next account.

Accounts when audited and approved to be conclusive except as to errors discovered subsequently

DIVIDENDS

165. Subject as aforesaid, the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied first in paying the fixed preferential dividend on the capital paid up on the Preference Shares, if any. in the order in which the various classes of preference shares are entitled and secondly in paying a dividend for such year or other period on the capital paid up on the equity shares.

Division of Profits

166. The Company in general meeting may declare a dividend to be paid to the members, according to their respective rights and interests in the profits, and may fix the time for payment, Provided that the dividend shall be paid or the dividend warrant shall be posted within forty two days of the declaration of dividend except when the case of any shareholder falls within the contingencies described in proviso to Section 207 of the Act.

Board with sanction of the Company in General Meeting may declare a dividend

167. No larger dividend shall be payable than is recommended by the Board, but the Company in general meeting may declare a smaller dividend. No dividend shall be declared or paid except out of the profits of the Company, or any other undistributed profits arrived at in the manner laid down in Section 205 of the Act and no dividend shall carry interest as against the Company. The declaration of the Board as to the amount of the net profits of the Company shall be conclusive. Power of Board to limit dividend
168. The Board may, from time to time, pay to the members on account of the next forthcoming dividend such interim dividend as, in their judgement, the position of the Company justifies. Interim Dividend
169. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits. Capital paid up in advance at interest not to earn dividend
170. 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 shares shall rank for dividend accordingly. Dividend in proportion to amount paid up
171. The Board may retain the dividends payable upon shares in respect of which any person is under Article 56 hereof, entitled to become a member or which any person, under that Article, is entitled to transfer, until such person shall become a member in respect of, such shares or shall duly transfer the same. Retention of dividends until completion of transfer under articles
172. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise however either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any shareholder, all sums of money so due from him to the Company. No member to receive interest or dividend whilst indebted to the Company's right to reimbursement thereof
- 173.
- (a) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. No right to dividend unless transfer registered
 - (b) The transfer of share ipso facto after the declaration of dividend does not, as against the Company carry right to the dividend with shares, though as between transferor and transferee, the latter may be entitled to all the dividend in accordance with arrangement between them.
174. Unless otherwise directed, any dividend may be paid up by cheque or warrant sent through the post to the registered address of the member, or person entitled, or in case of joint holders to anyone of them named in the register in respect of the joint holding. The Company shall not be liable, or responsible for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto, by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The managing directors or Board may, if they think fit call upon the shareholders, when applying for dividends or bonus, to produce their share certificates at the registered office or other place where the payment of dividend is to be made. Dividends how remitted

175.No unclaimed or unpaid Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section

205-A of the Act in respect of unclaimed or unpaid dividend.

176.Any general meeting may upon the recommendations of the Board resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the share premium account or the capital redemption reserve fund be capitalised and distributed amongst such of the share holders as would be entitled to receive the same if distributed by way of dividend or to their nominee or nominees if so resolved by the general meeting and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued shares or debentures of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued share and that such distribution or payment shall be accepted by such share- holders in full satisfaction of their interest in the said capitalised sum.

Capitalisation of reserves

177.

(1) For the purpose of giving effect to any resolution in pursuance of Articles 165 or 167 the Board shall have full powers:

- (a) to settle any difficulty which may arise in regard to the distribution as they think expedient and in particular to issue fractional certificates and to fix the value for distribution of any specific assets and to determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties to vest any such cash or specific assets in trustees upon such trusts for persons entitled to the dividend or capitalised fund as may seem expedient to the Board;
- (b) to make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures if any;
- (c) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures 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 the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.

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

Fractional certificates and other matters relating to capitalization of reserves

178. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so, arranged between the Company and the member, be set off against the call.

Dividend and call together, and set of allowed

NOTICES

Service of Notices

179. A notice or document requiring to be served by the Company be given by the Company to any member either personally or by sending it by post to him to his registered address, or if he has no registered Company for the giving of notices to him.

Where a notice or document is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or the document and such service shall be deemed to have been effected:

(i) in the case of notice of meeting, at the expiration of forty-eight hours after the letter containing the same is posted;

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of the post;

Provided that where a member has intimated to the Company in advance that documents should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company, a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member. If a member has no registered address in India and not supplied to the Company an address within India for the giving of notice to him, a notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly given to him on the day on which advertisement appears.

180. A notice or document requiring to be served may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.

181. A Certificate in writing signed by any manager, secretary or other officer of the Company that notice was so addressed, prepaid, and posted shall be conclusive evidence thereof.

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

183. Notice of every general meeting shall be given in the same manner hereinbefore authorised to :-

- (b) every member of the Company except those members who, having no registered address within India have not supplied to the Company an address within India for the giving of notices to them;
- (c) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting; and
- (d) the auditor of the Company and he shall be entitled to be heard at any general meeting which he attends, On any part of the business which concerns him as

an auditor; and

(e) No other persons shall be entitled to receive notice of the general meeting.

Provided that where the notice of a meeting is given by advertising the same in

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newspaper circulating in the neighbourhood of the registered office of the Company under Sub-section (3) of Section 53 of the Act and as provided hereinabove, the statement of material facts referred to in Section 173 of the Act and Article 69 hereinabove may not be annexed to the notice as required by the said provision but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

184. All notices to be given on the part of shareholder shall be left at or sent by registered post to the registered office of the Company.

Services of notice
by shareholders

185. Any notice required to be given by the Company to the members or any of them and the manner of service of which is not expressly provided for by these presents shall be regarded as sufficient if given by advertisement once in one daily or weekly local newspaper.

Notice by
advertisement

186. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by and every notice or other document in respect of such share which, previous to his name and address being entered upon the register and previous or subsequent to such devolution of interest, is given to the person from whom he derives his title and who is registered.

187. Any notice Or document delivered or sent by post to or left at the registered address of any member or to his agent as above provided in accordance with these presents, then, notwithstanding such member be then deceased, and whether or not the Company has notice of his death shall be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder of joint holder thereof and such service shall for all purposes of these presents be deemed as sufficient service of such notice or document on his or her heirs, executors or administrators and all persons if any jointly interested with him or her, in any such share.

Service of notice
good
notwithstanding
death of
shareholder

188. Any notice to be given by the Company shall be signed by the Managing Director/s or by such other officer as the Board may appoint and the signature thereto may be written, printed, lithographed or photostat.

Notice by
Company and
signature thereto

SECURITY CLAUSE AND INDEMNITY OF DIRECTORS

189. No member shall be entitled to visit or inspect the Company's works without the permission of the Board or Managing Director or to require discovery of or any information respecting any details 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 which may relate to the conduct of the business of the Company, and which, in the opinion of the Board, will be inexpedient *in* the interest of the members of the Company to communicate to the public.

Security Clause

190. Every director, managing director, auditor, secretary and other officer for the time being of the Company may 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 judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Directors' and others' right to indemnity

191. Subject to the provisions of Section 201 of the Act, no director, or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other director or officer or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company -through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company or for insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, Company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss, 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.

Not responsible for acts of others

GENERAL

192. Each member of the Company present and future, is to be deemed to join the Company with full knowledge of all the contents to these presents.

Knowledge implied

193. The copies of Memorandum and Articles of Association shall be supplied to the members of the Company on the payment of the following fees.

- (a) Rs. 1/- (Rupees One) for first copy, as provided in clauses 63 mentioned above.
- (b) Rs. 10/- (Rupees Ten) for every subsequent copy.

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

Names, Addresses, Descriptions and occupations of Subscribers	Number of Equity shares taken by each Subscriber	Signature of Subscribers	Signature, Name, Address, description and occupation of Witness
Mr. Manhar Gordhandas Gandhi S/o. Gordhandas Lavji Randeep House, 1 st Floor, Dr. D.D. Sathe Marg, Bombay – 400 004 Business	10 (Ten)	Sd/-	
Mr. Bhupatrai Gordhandas Gandhi S/o. Gordhandas Lavji Randeep House, 1 st Floor, Dr. D.D. Sathe Marg, Bombay – 400 004 Business	10 (Ten)	Sd/-	
Mr. Arun Madhukar Raje S/o. Madhukar Yashwant 11, Om Abhiram Society, Ram Mandir Road, Vile Parle (East), Bombay – 400 057 Service	10 (Ten)	Sd/-	Sd/- Satish V. Godbole S/o. V.M. Godbole Lucky Mansion, 1 st Floor, 79, Ghogha Street, Fort,
Mr. Rashmikant B. Dani S/o. Bhavanidas Narbheram 2 nd Floor, Khokhani Lane, 4, Rambha Apartments, Ghatkopar (East), Bombay – 400 077 Chartered Accountant	10 (Ten)	Sd/-	
Mrs. Chandra B. Gandhi W/o. Bhupat Gordhandas Randeep House, 1 st Floor, Dr. D.D. Sathe Marg, Bombay – 400 004 Business	10 (Ten)	Sd/-	

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

Names, Addresses, Descriptions and occupations of Subscribers	Number of Equity shares taken by each Subscriber	Signature of Subscribers	Signature, Name, Address, description and occupation of Witness
Mrs. Bharti M. Gandhi W/o. Manhar Gordhandas Randeep House, 1 st Floor, Dr. D.D. Sathe Marg, Bombay – 400 004 Business	10 (Ten)	Sd/-	Sd/- Satish V. Godbole S/o. V.M. Godbole Lucky Mansion, 1 st Floor, 79, Ghogha Street, Fort, Bombay – 400 001 Chartered Accountant
Mr. Gordhandas Lavji Gandhi S/o. Lavji Mulchand Randeep House, 1 st Floor, Dr. D.D. Sathe Marg, Bombay – 400 004 Business	10 (Ten)	Sd/-	
TOTAL	70 (Seventy) Equity Shares		

Dated: 15th day of April, 1985.