

**DRAFT ARTICLES OF ASSOCIATION**  
**OF**  
**INDIA LEASE DEVELOPMENT LIMITED**

**INTERPRETATION**

1, In these regulations-

- (a) "the Act " means the Companies Act,2013
- (b) "the seal" means the common seal of the company

Unless the context otherwise requires, words or expression contained in these regulations shall bear the same meanings as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

**SHARE CAPITAL AND VARIATION OF RIGHTS**

- 2.(a) "The Authorised Share Capital of the company is ` 15,00,00,000(Rupees Fifteen Crores) divided into 1,50,00,000 Equity Shares of ` 10/-each and from time to time, increase, reduce or modify the capital and to divide all or any of the shares in the Capital of the company, for the time being and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions, or restrictions as may be determined by the company in accordance with the Articles of Association of the company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such persons as may , for the time being be permitted under the provisions of the Articles of Association of the company or legislative provisions, for the time being in force in that behalf "
- (b) Where at any time, it is proposed to increase the subscribed capital by the issue of new shares, subject to any directions to the contrary which may be given by the company in general meeting and subject only to those direction such new shares shall be issued in accordance with the provisions of Section 62 of the Act, or any statutory modification thereof.
- 3.(i) every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-
- a) One certificate for all his shares without payment or any charges; or,
  - b) If the Board so approves to several certificates, each for one or more of such shares. Such certificate shall be issued in accordance with the provisions of the Act and Rules.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.

- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
  - (iv) If any Share Certificate be worn out, defaced, mutilated or torn or if there be no further space or on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof. However, if any certificate is lost and on splitting or consolidation of shares certificate(s) or to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof is given, every such certificate under this Article shall be issued on payment not exceeding fifty rupees for each certificate.
  - (v) The provisions of clauses (i),(ii),(iii) and (iv) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 5.(i) The company may exercise the powers of paying commissions conferred by sub section (6) of Section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed as per rules made under sub section ( 6) of Section 40.
  - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 6 (i) If at any point of time the share capital is divided into different clauses of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of 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 shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

8. Subject to the provisions of Section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

## **LIEN**

9. (i) The company shall have a first and paramount lien-
  - a) On every share(not being a fully paid share) for all monies(whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - b) On all shares(not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board think fit, any shares on which the company has a lien: Provided that no sale shall be made-
    - (a) Unless a sum in respect of which the lien exists is presently payable; or
    - (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

- 11 (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
  - (ii) the purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - (iii) 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.
2. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

## **CALLS ON SHARES**

- 13(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid or their shares(whether on account of the nominal value of the shares or by way of premium) not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one fourth of the nominal value of the share or be payable at less than one month from the date fixed by the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and places so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 16(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 17(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board-
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) Upon all or any of the monies so advanced, may(until the same would, but for such advance,become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

## **TRANSFER OF SHARES**

- 19(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- (iii) The instrument of transfer shall be in writing and the provisions of section 56 of the Act and the rules made thereunder shall be duly complied with in respect of transfer of shares and registration thereof.”
- (iv) The instrument of transfer shall be in the form prescribed by the Act and the rules made thereunder.”
- (v) “Subject to the provisions of these Articles and of section 58 or any other applicable provisions of the Act and Equity Listing Agreement or any other applicable provisions of any other law for the time being in force or any statutory modification(s), the Board, may on sufficient cause, refuse to register any transfer of shares or the transmission of shares by operation of law of the right to a share”.
- (vi) No transfer shall be made to a person of unsound mind and no transfer or partly paid shares shall be made to a minor.”

**19 (a) DEMATERIALISATION OF SECURITIES**

- (i) Beneficial owner means a person or persons whose name(s) is recorded as such with a depository. Depository means a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992.
- (ii) Notwithstanding anything contained in the Articles the company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1956 options to hold securities.
- (iii) Every person subscribing to securities offered by the company shall have the option either to receive the security certificates or to hold the securities with a depository. If a person opts to hold a security with a depository the company shall intimate such depository the details of allotment of the security. On receipt of such information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.
- (iv) Every person who is the beneficial owner of the securities can at any time opt out of a depository in the manner provided by the Depositories Act. The company shall in the manner and within the time prescribed issue to the beneficial owner the required certificate of securities.
- (v) 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 securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- (vi) Notwithstanding any thing in the Act or the Articles where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.

(vii) The company shall be entitled to dematerialize all or any of its existing shares, rematerialize all or any of its shares held in the Depositories and/or to offer its fresh shares or buyback its shares in a dematerialized form pursuant to the Depositories Act, 1996 and the Relevant Rules, if any.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register-

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien

21. The Board may decline to recognize any instrument of transfer unless-

- (a) The instrument of transfer in the form as prescribed in rules made under sub section (1) of section 56;
- (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) The instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine; provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.

### **TRANSMISSION OF SHARES**

23(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause(i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

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

- a) To be registered himself as holder of the share; or
  - b) To make such transfer of the share as the deceased or insolvent member could have made
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death, or insolvency.

- 25.(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitation, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by the member.
26. 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, any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

## **BORROWING POWERS**

- 27(a)The company shall have power to borrow from any person or persons and secure the payment of any sum or sums of money for the purpose of the company and the directors may from time to time at their discretion exercise this power and may themselves lend to the company on security or otherwise provided that the directors shall not contravene the provisions of Section 180(1)( c) of the Act or any statutory modifications thereof.

Provided further that no debt incurred or security given in excess of limit imposed by Section 180(1)( c) of the Act shall be invalid or ineffectual except in the case of express notice to the lender or the receipt of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

- (b) The directors may raise or secure the repayment of any sum or sums in such manner and upon such terms and conditions in all respects as they may think fit and in particular by the creation of any mortgage or charge on the undertaking of the whole or any part of the property, present or future, or uncalled capital of the company or by the issue of bonds, perpetual or redeemable, debentures or debentures 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.
- (c) The company may invite, accept or renew the deposits from the public in the manner as is provided in Section 73 to 76 of the Act.
- (d) The directors shall cause a proper register to be kept in accordance with the provisions of Section 77 to 87 of charges specifically affecting the property of the company and shall duly comply with the requirements of the Act with regard to the registration of mortgage and charges. The Registers Books and Documents as provided in the foregoing Article shall(a) subject to such restrictions as provided in the Companies Act,2013 and the rules made

thereunder(including any statutory modification(s) or en-actment thereof) (“the Act”) and upon request in writing in that behalf to the company within the period prescribed on payment of fee of ` 10/- per page, or such other fee as may be prescribed from time to time and as may be determined by the Board be open to persons so authorized/entitled for inspection and extracts may be taken therefrom on working days except Saturdays and Sundays between 11.00 A.M. to 1.00 P.M. and(b) copy thereof may be required by such persons who are entitled for the same.

- (e) Any Member, beneficial owner, Debentureholder, other securityholder or other person entitled to copies of any documents/registers/records to be kept or maintained by the company in physical or electronic form under the provisions of the Companies Act,2013 or the Rules thereunder or any earlier enactment or rules, shall be provided copies thereof upon request on payment of fee of ` 10/-(Rupees Ten) per page, or such fee as may be prescribed from time to time and as may be determined by the Board.

### **FORFEITURE OF SHARES**

28. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

29. The notice aforesaid shall-

- a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

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

31 (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

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

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

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

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



- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
  - iii) The transferee shall thereupon be a registered as the holder of the share; and
  - iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
34. The provisions of these regulations so as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **ALTERATION OF CAPITAL**

35. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
36. Subject to the provisions of Section 61, the company may, by ordinary resolution,-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denomination ;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution; have not been taken or agreed to be taken by any person
37. Where shares are converted into stock,-
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- (c) Such of the regulations of the company as are applicable to paid up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
38. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,-
- (a) Its share capital
  - (b) Any capital redemption reserve account; or
  - (c) Any share premium account.

### **CAPITALISATION OF PROFITS**

39. (i) The company in general meeting may, upon the recommendation of the Board, resolve-
- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause(ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied either in or towards-
- (a) Paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (b) Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid;
  - (c) Partly in the way specified in sub clause(A) and partly in that specified in sub clause(B);
  - (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
40. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power-
- (a) To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) To authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

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

### **BUYBACK OF SHARES**

41. Notwithstanding anything contained in these articles but subject to the provisions of Section 68 to 70 and any other applicable provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### **GENERAL MEETINGS**

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

43(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

(iii) Notwithstanding anything contrary contained in the Articles of Association, the company may, in pursuance of and subject to compliance with the provisions of applicable rules, regulations, circulars, guidelines, notifications etc as may be specified by the Ministry of Corporate Affairs(MCA), Securities and Exchange Board of India(SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act,2013 or by the rules, regulations, etc made there under or the Listing Agreement with Stock Exchanges from time to time, allow the member(s) of the company to participate in the General Meeting(s) of the Members through any type of electronic mode like video conferencing etc, and the members so participating shall be deemed to be present in such General Meeting(s) for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.

(iv) For conducting the aforesaid meetings, the company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications guidelines etc issued/to be issued from time to time by the Ministry of Corporate Affairs(MCA), Securities & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority(ies) in this regard.

### **PROCEEDINGS AT GENERAL MEETINGS**

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

- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103.
- 45. The chairperson, if any, of the Board shall preside as chairperson at every general meeting of the company
- 46. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- 47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **NOTICE OF GENERAL MEETING**

- 48(a) A general meeting of the company may be called by giving not less than twenty one day's notice in writing or through electronic mode or after giving such shorter notice as provided for in Section 101 of the Act or any statutory modifications thereof.
- (b) Notice of every meeting of the company shall be given:-
  - (i) to every member of the company
  - (ii) to the persons entitled to a share in consequence of the death or insolvency of a member;
  - (iii) to the auditor or auditors for the time being, of the company in the manner provided for in Section 102 or any statutory modification thereof.
- (c) Accidental omission to give notice to, or the non receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings of the company.
- (d) Every notice of meeting of the company shall contain the following:-
  - (i) It shall specify the place, date and time of the meeting
  - (ii) It shall contain a statement of the business to be transacted therein.
- (e) In every notice calling a meeting of the company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy, or proxies to attend and vote instead of himself and that a proxy need not be a member.
- (f) The company shall in the case of a resolution to be moved as a special resolution duly specified in the notice calling the general meeting or other intimation given to the members of the intention to propose the resolution as a special resolution.
- (g) The company shall in compliance with Section 115 read with Section 140 or any statutory modifications thereof give to its members notice of resolution requiring special notice at the same time and in the same manner as it gives notice of the meeting or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having a

circulation, in the State in which the registered office is situated not less than 21 days before the meeting.

- (h) Subject to the provisions of Section 140 and 169 or any statutory modifications thereof the receipt of representation, if any, made under Section 169 by a director sought to be removed from office as director must be stated in the notice of meeting given to the members of the company if the representations are received in time.

#### **ADJOURNMENT OF MEETING**

- 49 (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **VOTING RIGHTS**

- 50. Subject to any rights or restrictions for the time being attached to any class or classes of shares,-
  - (a) On a show of hands, every member present in person shall have one vote and
  - (b) On a poll, the voting rights of member present in person shall have one vote, and
- 51. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.
- 52.(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to all to the exclusion of the votes of the other joint holders.
  - (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid

- 56.(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

## **PROXY**

57. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. A person can act as proxy on behalf of members upto and not exceeding Fifty(50) and holding in the aggregate not more than ten percent(10%) of the total share capital of the company. Further, a member holding more than ten percent(10%) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
58. An instrument appointing proxy shall be in the form as prescribed in the rules made under Section 105.
59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.

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

## **BOARD OF DIRECTORS**

- 60(a) Unless otherwise determined by the company in general meeting, the number of Directors elected by the shareholders shall not be less than 3 or more than 15.
- (aa) The directors will not be required to hold any qualification shares".
- (b) Only an individual and not a body corporate, association or firm, shall be appointed director of the Company.
- (c) Subject to the provisions of Sections 149, 151, 152 of the Act or any statutory modifications thereof, the company may in general meeting increase or reduce the number of directors within the limits fixed by the Act that a company may appoint thereafter.
- (d) Subject to the Act and these Articles, the Directors not exceeding one third of the total number of Directors for the time being of the company shall be liable to retirement by rotation. The Independent Directors shall not be counted in the total number of Directors for this purpose.

- (e) Subject to the provisions of section 152 of the Act, all directors, other than the directors who are not retiring by rotation, additional and alternate directors shall be persons whose period of office is liable to determination by rotation. Further, the Independent Directors of the company shall not be liable to retire by rotation. All the directors who are not retiring, except Independent Directors, shall, however, be counted for determining the number of retiring directors.”
- (f) On the date of adoption of the Articles at the time of incorporation of the company, the following persons were the Directors of the company, namely:-
- (1) Mr. Ved Prakash Gupta
  - (2) Mr. Satya Narain Gupta
  - (3) Mr. Ravindra Nath Gupta
  - (4) Mr. Jitendra Nath Gupta
  - (5) Mr. Lalit Gupta
  - (6) Mr. Rajiv Gupta
  - (7) Mr. Amar Nath Chadha
- (g) Subject to the provisions of Section 161 or any statutory modifications thereof, the Board of Directors shall have power to appoint a person as alternate director during the absence of director for a period of not less than three months in the state in which meetings of the Board are ordinarily held.
- (h) The office of director shall ipso facto become vacant if at any time he commits any of the acts set out in section 167 of the Act”.
- (i) Subject to the provisions of sections 184,188 and 192 of the Act and the rules made thereunder, neither shall a director be disqualified from contracting with the company whether as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the company nor shall any such contract or agreement entered into by or on behalf of the company with the relative or such director, or firm in which such director or relative is a partner or with any other director, be void nor shall any director so contracting or being such member so interested be liable to account to the company for any profit realized by any such contract or arrangement by reason of such director holding office or of the fiduciary”.
- 61.(i)The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them.
- (a) In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) In connection with business of the company

- (iii) The director shall be paid sitting fee for attending the Board meetings/ committee meetings unless it is authorized by the board.
62. The Board may pay all expenses incurred in getting up and registering the company.
63. The company may exercise the powers conferred on it by Section 88 with regard to the keeping of a foreign register; and the Board may(subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.
64. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise, executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
65. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 66.(i) Subject to the provisions of Section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only upto the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

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

- 67.(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meeting, as it thinks fit.
- (ii) A Director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 68.(i) Save as otherwise expressly provided in the Act, question arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) in case of an equality of votes, the chairperson of the Board, if any, shall have a second or casting vote.
69. The continuing directors may act notwithstanding any vacancy in the Board but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
70. (i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within the five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.



71(i) the Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

72.(i) A committee may elect a Chairperson of its meetings

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

73.(i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid if every such director or such person had been duly appointed and was qualified to be a director.

75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

76.(a)The Board of Directors shall be entitled to exercise all such powers and to do all such acts and things as the company is authorized to exercise and do;

provided that the Board shall not exercise any power or do any act or thing, which is directed or required by the Act or any other provision of law or by the Memorandum of Association of the company or by these Articles, to be exercised or done 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 any other provision of law or the Memorandum of Association of the company or these Articles or in any regulation not inconsistent therewith and duly made hereunder, including regulations made by the company in General Meeting.

(b) 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.

## **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

77. Subject to the provisions of the Act,-

- (i) Chairman & Managing Director & Chief Executive Officer, Manager, Company Secretary and/or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.
- (ii) A director may be appointed as Chief Executive Officer, Manager, Company Secretary and/or Chief Financial Officer.
- (iii) The same individual may, at the same time, be appointed as the Chairperson/Chairman of the company as well as the Managing Director and/or Chief Executive Officer of the company.
- (iv) The same individual may, at the same time, be appointed as the Vice President, Company Secretary and/or Chief Financial Officer of the company.

78. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and Chief Executive Officer, Manager, Company Secretary or Chief Financial officer shall not be satisfied by its being done by or to the same person acting both as director and as or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

## **THE SEAL**

79. (i) The Board shall provide for the safe custody of the Common Seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## **DIVIDENDS AND RESERVE**

80. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
81. Subject to the provisions of Section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- 82.(i)The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments(other than shares of the company) as the Board may, from time to time, think fit.

- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 83(i) Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividend shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during the portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
84. The Board may deduct from any dividend payable to any member all sums or money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 85..(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
86. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
87. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
88. No dividend shall bear interest against the company.

## **ACCOUNTS**

89. No member(not being a director) shall have any right of inspecting any account or book or documents of the company except as conferred by law or authorised by the Board or by the company in general meeting.

## **WINDING UP**

90. Subject to the provisions of Chapter XX of the Act and rules made thereunder-
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **GENERAL POWERS OF ARTICLES OF ASSOCIATION**

91. Wherever in the Act, it has been provided that the company shall have any right, privilege or authority or that the company could carry out any transaction only if the company is so authorized by its Articles, then and in that case by virtue of this Articles, the company is hereby specifically authorized, empowered and entitled to have such rights, privileges or authority, to carry out such transactions as permitted by the Act without there being any separate/specific Article in that behalf herein provide.

#### **SECRECY**

92. Every Director, Secretary, Manager, Auditors, Trustee, Member of Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall before entering upon the duties sign a declaration pledging himself to observe strict secrecy respecting all transactions of the company with customers and the state of accounts with individuals and in all matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may have come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any meeting of the shareholders, or by a Court of Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles of Association.

93. Any Director or Officer of the company shall be entitled, if he thinks fit, to decline to answer any question concerning the business of the company, which may be put to him on any occasion including any meeting of the company, on the ground that the answer to such question would disclose or tend to disclose the trade secrets of the company.

94. Any Officer or employee of the company proved to the satisfaction of the Managing Director to have been guilty of disclosing the secrets of the company shall be liable to instant dismissal without notice, and payment of damages.

#### **INDEMNITY**

95. Every officer of the company shall not be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.