

**ARTICLES OF ASSOCIATION
OF
SER INDUSTRIES LIMITED
PUBLIC COMPANY LIMITED BY SHARES
(INCORPORATED UNDER THE COMPANIES ACT, 1956)**

General

Interpretation:

1. The regulations contained in Table "A" in Schedule 1 to the Companies Act, 1956 shall not apply to this Company except so far as the same are adopted in these Articles.
2. In interpretation of these Articles the following expressions shall have the following meanings in these presents unless repugnant to the subject or context:
 - "The Act" means the Companies Act, 1956 as amended from time to time.
 - "Board" means meeting of the Directors, duly called and constituted, or as the case may be, the Directors assembled at a Board.
 - "Chairman" means the Chairman of the Board of Directors for the time being of the Company.
 - "Debenture" includes debenture stock.
 - "Directors" means the directors for the time being of the Company, or as the case may be, the Directors assembled at a Board.
 - "Dividend" includes bonus.
 - "Month" means calendar month.
 - "Office" means the Registered office for the time being of the Company.
 - "Person" includes Government, registered society, corporation as well as individuals.

"Register" or "Register of Members" means of register of shareholders or members to be kept pursuant to Section 150 of the Act.

"Seal" means the Common Seal for the time being of the Company.

"Special Resolution" and "Ordinary Resolution" have the meaning assigned thereto respectively by Section 180 of the Act.

"The Company" or "This Company" means SER INDUSTRIES LIMITED.

"In Writing" and "Written" include printing, lithography, typewriting and other modes of representing or reproducing words in a visible form.

"Shareholder" or "Member" means any person whose name is entered in the Register of Shareholders from time to time as owner or joint owner of any share in the Company.

"Holder" means a Shareholder.

"The Registrar" means the Registrar of Companies.

Words importing the masculine gender shall include the feminine gender.

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

The marginal notes hereto shall not affect the construction hereof and in these presents unless there be something in the subject or context inconsistent therewith.

*Company not to
purchase its own
Shares.*

3. No part of the funds of the Company shall be employed in the purchase of or lent on the security of any share of shares in the Company and the Company shall not except as authorised by Section 77 of the Act give any financial assistance for the purchase of or in connection with any purchase of share in the Company.

SHARES

Share Capital

4. The authorised share capital of the Company is Rs. 6,00,00,000/- (Rupees Six crores) divided into 60,00,000 (Sixty lakhs) Equity shares of Rs.10/- (Rupees Ten) each capable of being increased or reduced in accordance with the Company's regulations and the legislative provisions for the time being in force in that behalf.

**Allotment of
Shares**

5. Subject to the provisions of these Articles, the shares shall be under the control of Directors, who may allot or otherwise dispose of the same to such persons, on such terms and conditions and at such times as the Directors think fit, and, if so authorised by a special resolution of the Company in General Meeting, give to any person all or any shares either at par or at premium, and for such consideration as the Directors think fit. Provided that after the first allotment, upon the issue of any further shares, the Directors shall comply with the provisions of Section 81 of the Act unless they shall have obtained the consent of the Company by a special resolution to the issue of such shares on other terms, unless the company in General Meeting otherwise decides, any offer of further shares shall be deemed to include a right exercisable by the person to whom the shares are offered to renounce the shares offered to him in favour of any other person.

**Return of
allotment etc.**

6. As regards all allotments from time to time made, the Directors shall duly comply with the provisions of Section 75 of the Act and in case of shares offered to the public for subscription, shall also comply with Section 89 of the Act.

**Issue of Shares
for consideration
other than cash**

7. The Directors may allot and issue shares in the capital of the company as partly or fully paid in consideration of any property sold or goods transferred or machinery supplied or for services rendered to the Company in or about the formation promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully or partly paid-up shares, and if so issued, shall be deemed as fully or partly paid-up shares, as the case may be.

**Issue of Shares
at discount**

8. With the previous authority of the Company in General Meeting and the sanction of the Court and upon otherwise complying with Section 79 of the Act, for the Directors to issue at a discount shares of a class already issued.

**Preference
Shares**

9. Subject to the provisions of these Articles, the Company shall have power to issue Preference Shares carrying a right to redemption out of profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be so redeemed at the option of the Company and the Directors may, subject to the provisions of Section 80 of the Act, exercise such powers in any manner they may think fit.

**Payment of
Interest out of
Capital**

10. The Company may, subject to the conditions and restrictions contained in Section 208 of the Act, for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, pay interest on so much of the share capital for the time being paid up and may charge the same to the capital as part of the cost of construction of the work or building or the provision of plant.

**Calls on Shares
or further Share
Capital**

11. Shares may only be issued on the condition that calls on shares for further share capital shall be made on a uniform basis on all shares falling under the same class.

**Payment of
Issue prices by
instalments**

12. If by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due be paid to the Company by the person who for the time being shall be the registered holder of the shares.

**Commission on
Brokerage**

13. (1) The Company may exercise the powers of paying commission conferred by Section 76 of the Companies Act provided that the rate percent of amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section.
- (2) The rate of commission shall not exceed the rate of five percent of the price at which the shares in respect whereof the same is paid, or issued or an amount equal to five percent of such price as the case may be.
- (3) The Commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in the one way and part.
- (4) The Company may also, on any issue of shares or debentures, pay such brokerage as may be lawful.

**Restriction on
Allotment**

14. If the Company shall offer any of its Shares to the public for subscription, the Directors shall not make any allotment thereof, unless the conditions specified in Section 69 of the Act have been complied with, and if the Company shall propose to commence business on the basis of a statement in lieu of prospectus the Directors shall not make any allotment of shares unless a minimum amount of rupees five thousand has been received in cash towards share application money.

INCREASE AND REDUCTION OF CAPITAL

15. (1) The Company may, from time to time, by a special resolution increase the share capital by such amount, to be divided into shares of such amount, as may be specified in the resolution.
- (2) Without prejudice to any special rights or privileges attached to any of the existing shares, the new shares may be issued upon such terms and conditions, and with such rights and privileges annexed thereto as may be specified in the resolution sanctioning the increase of capital and if no direction be given, as the Directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and subject to Section 88 of the Act. Such shares may also be issued either at a premium or, subject to the provisions of Section 79 of the Act, at a discount.
- (3) Except so far as otherwise provided by the conditions of issue, or by these presents, any capital raised by the creation of new shares shall be considered part of the original equity capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, voting and otherwise.
- (4) Where at any time subsequent to the first allotment of shares in the Company, it is proposed to increase the subscribed capital of the Company by the issue of new shares, which shall be by a special resolution, then, subject to any directions to the contrary which may be given by the Company in general meeting and subject only to these subject directions, such new shares shall be offered to the persons who at

the date of the offer are holders of the Equity Shares of the Company either at par or premium in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date and such offer shall be made by notice specifying the number of shares to which a member is entitled and limiting the time (which shall not be less than 15 working days from the date of the offer) within which the offer, if not accepted, will be deemed to be declined and after the expiration of such time or on receipt of any intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the company. The Directors may likewise dispose of any new shares, which, by reason of the ratio which the new shares bear to shares held by persons entitled to offer of new shares, cannot in the opinion of the Directors be conveniently offered under this article.

Reduction of Capital

16. The Company may, by a special resolution reduce in any manner, with and subject to any incident authorised and consent required by law;
- (a) its share capital,
 - (b) any capital redemption reserve fund, or
 - (c) any share premium account.

SUB-DIVISION AND CONSOLIDATION OF SHARES

Consolidation

Conversion

Sub-Division

Cancellation

Rights in respect of shares on sub-division

17. The Company may by an ordinary resolution:
- (1) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (2) convert all or any of its paid-up shares into stock and reconvert that stock into paid-up shares of any denomination;
 - (3) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on such reduced shares shall be the same as it was in the case of share from which the reduced share is derived; and
 - (4) cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
18. The resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others.

MODIFICATION OF RIGHTS

19. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may be modified, commuted, affected, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths of the issued shares of that class or is confirmed by a resolution passed at a separate meeting

of the holders of shares of that class and supported by the votes of the holders of three-fourths of those shares. This Article is not to derogate from any power which the Company would have had if this clause were omitted. The power conferred on the Company by this clause is subject to sections 106 and 107 of the Companies Act.

JOINT HOLDERS OF SHARES

20. If several persons are registered as joint-holders of any share they shall be severally as well as jointly liable for any call or other liability in respect of such share, but the first named upon the register shall, as regards voting, proxy, and service of notices, be deemed to be the sole owner thereof. Any of such persons may give effectual receipt for dividend; and upon the death of a registered joint owner the surviving registered joint-owner shall be deemed by the Company to be absolutely entitled to the shares.

TRUST NOT RECOGNISED

21. Except as required by law no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable contingent, future or partial interest in any fractional part of a share, or (except only as by these Articles 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.

ADDRESS AND NAME

*Member to
intimate his
address*

*Change in name
to be intimated*

*Issue of Share
Certificates*

22. Every member shall leave in writing at the registered office of the Company his address in India and will also intimate to the Company any change therein from time to time. Such address for all purposes shall be deemed to be his proper address.
23. No shareholder, who shall change his or her name, shall be entitled to recover any dividend or vote until notice of such change of name has been given to and registered by the Company.
24. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or the application for registration of transfer or within such other period as the conditions of issue shall provide:-
- The Share Certificates shall be issued in market lots and where the Shares are issued in market lots, sub-division or consolidation of Share Certificates into market lots shall be done free of charge.
- (2) Every certificate shall be under the Seal of the Company and shall specify the shares to which it relates and the amount paid-up thereon.
- (3) Notwithstanding anything contained in Sub-Clause (1) & (2) of clause (24), the Board may not accept application for sub-division or consolidation of shares into denominations of less than Hundred (100) 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 or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.

Endorsement of transfer

25. Every endorsement of transfer in favour of any transferee thereof or payment of a call upon the certificate of any share shall be signed by a Director or by any other person for the time being duly authorised by the Directors in that behalf, subject to the Companies (Issue of Share Certificates) Rules, 1960.

Issue of New certificate

26. If any certificate be worn out or defaced or if there is no further space on the back thereof for endorsement of transfer, then upon production of the same to the directors they may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Directors and on such indemnity as they deem adequate being given, a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate. For this purpose the company shall not charge any fees exceeding those which may be agreed upon which the Stock Exchange(s) in which the shares of the company are listed.

Share certificate for joint holdings

27. 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.

CALLS

Calls

28. The Directors may, from time to time, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively whether on account of nominal value of shares or by way of premium and by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Directors. A call may be made payable by instalments. A call may be revoked or postponed at the discretion of the Directors.

Notice of call

29. At least fourteen days notice of any call shall be given by the Company either by letter to the members or by advertisement, specifying the time and place of payment, and the person to whom such call shall be paid.

Calls deemed to have been made

30. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call is passed.

Extension of time for payment of call

31. The Directors 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 members who on account of residence at a distance or some other cause, may be deemed fairly entitled to such extension, but no member shall, as a matter of right, be entitled to such extension (save as a matter of grace and favour).

Interest on call

32. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made, or the instalment shall be due, shall pay interest for the same at the rate of twelve percent per annum from the day appointed for the payment thereof to the time of actual payment or at such other rate as the Directors may determine. The Directors may in their absolute discretion waive the payment of interest wholly or in part in the case of any person liable to pay such call or instalment.

Enforcement of forfeiture

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 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

*Payment of calls
in advance*

*Proof of debt for
call*

Deemed call.

*Payment of
proportionate
capital by
member*

*Application of
transfer*

enforce a forfeiture of such shares as hereinafter provided for non-payment of whole or any balance of amount due in respect of the shares.

34. The Directors may, if they think fit, receive from any member willing to advance same and either in money or money's worth, all or any part of the capital due upon shares held by him beyond the sums actually called for; and on the amount so paid satisfied in advance, or so much thereof as from time to time exceeds the amount of calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon, but not more than 9 % per annum unless the company in general meeting shall otherwise direct. The Directors may at any time repay the amount so advanced on giving to such member one month's notice in writing. The member shall not however be entitled to any voting rights in respect of the money so paid by him until the same shall, but for such payment become presently payable.
35. On the trial or hearing of any action or suit brought by the Company to recover any money due for any call, it shall be sufficient for the plaintiff to prove that the name of the member is entered in the register as the holder of the shares in respect of which such debt accrued that the resolution making the call is duly recorded in the Minutes Book and that notice of such call duly given to the member or his representative 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 proof of the debt.
36. If by the terms of issue of any share or otherwise, the whole or any of the amount or issue price thereof is made payable at any fixed time or by instalments at fixed times, even if such amount or issue price or instalment thereof shall be payable as if it were a call due made by the Directors and for which due notice has been given, and all the provisions herein contained in respect of call shall apply to such amount or issue price or instalment accordingly.
37. Every member, his executors or administrators shall pay to the company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at time or times, and in such manner as the Directors shall from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

TRANSFER OF SHARES

38. (a) An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee, and subject to the provisions of Articles 39 to 43, the Company shall, unless objection is made by the transferee, within two weeks from the date of receipt of the notice, enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application was made by the transferee.
- (b) For the purposes of sub-clause (a), notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly

delivered at the time at which it would have been delivered in the ordinary course of post.

Execution of transfer

Form

Transferor to continue as shareholder

Registration of transfer

No transfer to minor etc.

39. The instrument of transfer of any share shall be duly stamped and executed both by the transferor and the transferee and shall contain the name, address and occupation both of the transferor and the transferee and father's/husband's name of transferee. Each signature to such transfer shall be duly attested by one witness who shall add his address and occupation.
40. The instrument of transfer of any share shall be in the form prescribed under the Act, and shall be in accordance with the provisions of Section 108 of the Act, from time to time. No fee shall be charged for transmission of shares or for registration of any power of Attorney, Probate, Letters of administration or other similar documents. No fee shall also be charged for registration of transfers, issue of new certificates in replacement of those which are old, decrepit, worn out or where the pages on the reverse for recording transfers have been fully utilised.
41. The transferor shall be deemed to remain the holder of such share or shares until the name of the transferee is entered in the register of members in respect thereof.
42. Every instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares, provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to indemnify as the Directors may think fit.
43. No transfer shall be made to any minor or person of unsound mind, but in the event of such transfer being registered, the transferor shall remain liable to the Company for all the moneys due on the shares so transferred notwithstanding such transfer.
44. (a) The registration of transfer shall not be refused on the ground that the transferor is either alone or jointly with any other person/persons indebted to the company on any account whatsoever.
- (b) Notwithstanding anything contained in these Articles, the Board may in its absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares, in particular and without prejudice to the generality of the above powers, the Board may subject to the provisions of the Section 111 of the Companies Act, so decline to register in exceptional circumstances when it is felt that the transferee is not a desirable person from the larger point of view of the interest of the company as a whole.
- (c) The Board of Directors may not accept application for transfer of less than Hundred (100) equity shares of the Company, provided, however that this restriction shall not apply to:
 - 1) transfer of Equity Shares made in pursuance of a statutory order or an order of a Competent Court of Law.

ii) transfer of entire Equity Shares by an existing Equity shareholder of the Company holding less than Hundred (100) Equity Shares by a single transfer to a single or joint names.

iii) transfer of more than Hundred (100) Equity Shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than Hundred (100) Equity Shares.

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

iv) transfer of Equity Shares held by a member which are less than Hundred (100) but which have been allotted to him by the Company as a result of an issue of Bonus and/or Rights Shares or any shares resulting from conversion of debentures.

Intimation of refusal

45. In case of refusal to register the transfer of any shares, the Directors shall within two months from the date on which the instrument of transfer was lodged with the Company send to the transferee and transferor a notice of refusal. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

Closure of transfer book and register of members

46. The Directors may, on giving seven days previous notice by advertisement in some newspaper circulating in the District in which the registered office of the Company is situated, close the transfer books and register of members for any time or times not exceeding in the whole forty five days in each year but not exceeding thirty days at a time.

Registration as evidence of transfer

47. The registration of transfer shall be conclusive evidence of the approval by the directors of the transfer so far only as the shares transferred are concerned but not further or otherwise nor shall it incapacitate the Directors from claiming the right to refuse registration of transfer of the shares on any subsequent transfers applied for.

TRANSMISSION OF SHARES

Recognition of a person as successor

48. The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint-holders) shall be the only persons whom the Company shall recognise as having any title to the shares registered in the name of such member and in case of the death of any one or more of the registered joint holders of any shares, the survivor or survivors shall be the only persons 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. Before recognising any executor or administrator or legal heir the Directors may require to obtain a grant of probate or letters of administration or Succession Certificate or other legal representation, as the case may be, from some competent Court. Provided nevertheless that any case where the Directors in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of probate or Letters of Administration or a succession Certificate or such other legal representation and upon such terms as to indemnify or otherwise as the Directors may think fit 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 the deceased person.

*Transmission
clause*

49. (a) Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give) and upon giving such indemnity as the Directors think fit, either be registered himself as the holder of such shares, or may, subject to the regulations as to transfer herein before contained, elect to have some person nominated by him and approved by the Directors, registered as the transferee thereof; provided nevertheless that if such person shall elect to have his nominee registered, he shall testify his election by executing to his nominee an instrument of transfer of such shares in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares. This Article is hereinafter referred to as the "transmission clause".

*Refusal of
transmission*

- (b) The Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominees, as if he were the transferee named in any ordinary instrument of transfer presented for registration.

*Company's
liability to the
person claiming
equitable right
etc.*

50. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares, made or purporting to have been made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest in 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 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 regard and attend to any such notice and give effect thereto.

CONVERSION OF SHARES INTO STOCK

Conversion

51. The company may, by an ordinary resolution:-

- (a) Convert any fully paid-up shares into stock;
(b) reconvert any stock into fully paid-up shares of any denomination.

Transfer of stock

52. (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 there to 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.

Rights as regards to dividend etc.

- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages and 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 assets on winding up) shall be conferred by an amount of stock which, if existing in shares, would not have conferred that privilege or advantage.

Articles applicable to stock

- (c) Such of the Articles of the Company (other than those relating to share warrant), as are applicable to fully paid up shares shall apply to stock and the words "share" and "shareholder" in these presents shall include "stock" and "stockholder" respectively.

LIEN ON SHARES

Company to have first lien upon shares

53. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that this clause is to have full effect. And such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed to registration of a transfer of shares shall operate as a waiver of the Company's lien, if any on such shares.

Enforcement of lien

54. For the purpose of enforcing such lien the Board of Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee, curators, bonis or other legal representatives, as the case may be, and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice.

Application of net proceeds

55. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall be paid to such member, his executors or assigns or his committee, curator, bonis or other legal representatives as the case may be.

FORFEITURE OF SHARES

Notice for payment of call or instalment

56. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as any amount of such call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that have been incurred by the Company by reason of such non-payment.

Mode of notice

57. The notice shall name a further day (not earlier than the expiry of fourteen days from the date of service of the notice) on or before which and a place at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

Forfeiture of shares

Notice of forfeiture

Disposal of forfeited shares

Liabilities on forfeiture

Evidence of forfeiture

Disposal of forfeited shares

Transferee-Registered holder

Title of transferee to the share

Articles as to forfeiture to apply in case of non-payment

58. (a) If the requisitions of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- (b) When any shares have been so forfeited, notice of the forfeiture shall be given to the member in whose name the shares stood immediately prior to forfeiture, and an entry of the forfeiture with the date thereof shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry aforesaid.
59. Any share so forfeited shall be deemed to be the property of the Company and the Directors may sell, re-allot or otherwise dispose of the same in such manner as they may think fit.
60. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares.
- (2) The forfeiture of a share shall involve the extinction of all interest in and also of the claims and demand against the Company in respect of the share, and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.
- (3) The liability of such persons shall cease if and when the Company shall have received payment in full of all such moneys as were presently payable to the Company in respect of the shares at the date of forfeiture.
- (4) A duly verified declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share and that the declaration and the receipt for the consideration if any, given for the share on the sale or disposal thereof shall constitute a good title to the share.
- (5) The Company may receive the consideration, if any, given for the share on any sale, or disposal thereof and execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (6) The transferee shall thereupon be registered as the holder of the share.
- (7) 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.
- (8) The provision of these Articles as to forfeiture shall apply in the case of nonpayment of any sum, which, by the terms of issue of 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 became payable by virtue of a call duly made and notified.

Surrender of shares

61. The Directors may accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof or on any other terms they think fit. Provided that the Directors shall not have the power to purchase the share of any member with the money of the Company.

Title to the purchasers as regards forfeited shares

62. Upon any sale after forfeiture or surrender or for enforcing a lien purporting to have been exercised by virtue of the powers hereinbefore given, the Directors may cause the purchaser's name to be entered in the register in respect of the share sold and the person to whom the share is sold or disposed of shall not be bound to see to 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 the proceedings in reference to the forfeiture, 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.

Issue of new share certificate

63. When any shares under the powers in that behalf herein contained are sold and the certificate thereof has not been delivered to the company by the former holder of the said share, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered.

Annul of forfeiture

64. The Directors, may at any time, before any shares so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

MEETINGS OF SHAREHOLDERS

Annual General Meeting

65. (a) The first Annual General Meeting shall be held by the Company within 18 months of its incorporation.
- (b) The next Annual General Meeting of the Company shall be held by it within six months after the expiry of the financial year provided that with the permission of the Registrar the time for holding any Annual General Meeting not being the First Annual General Meeting may be extended by a further period not exceeding three months. Except in the case referred to in the foregoing provision not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.
- (c) Every Annual general Meeting shall be called for 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 city, town or village in which the registered office of the Company is situated and the notice calling the meeting shall specify it as the Annual General Meeting.

Extraordinary General Meeting

66. (a) The general meeting referred to in the last preceding Article shall be called annual general meetings; all other meetings of the Company shall be called extra-ordinary general meetings.
- (b) The Directors may whenever they think fit call an extra-ordinary general meeting of the Company.
- (c) The Directors shall, on the requisition of such members of the Company as is specified in sub-section (4) of Section 169 of the Companies Act, forthwith proceed

*Notice of
meetings*

to duly convene an extra-ordinary general meeting of the Company, and in the case of such requisition the provisions of Section 169 of the Companies Act shall apply.

67. (a) A meeting of the Company may be called by not less than twenty one days' notice in writing but a general meeting may be called after giving shorter notice than that specified above, if consent is accorded thereto, in the case of an annual general meeting, by all the members entitled to vote there at and in the case of any other meeting by members of the company holding not less than 95 percent of such part of the paid-up share capital of the Company, as gives a right to vote at the meeting provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of the Article in respect of the former resolution and not in respect of the latter.
- (b) A notice of the general meeting of the Company specifying the place, the day and hour of the meeting with a statement of the business to be transacted at the meeting shall be given in any manner authorised by Section 53, of the Companies Act and Articles 155 to 163, (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 and (iii) to the Auditor or Auditors for the time being of the Company.
- (c) The 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 at the meetings.

*Proceedings at
general meetings*

68. The business of an annual general meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet, and the Report of the Directors and of the Auditors, to elect Directors and other officers in place of those retiring by rotation; to declare dividends, appoint auditors and fix their remuneration, and to transact any other business, which under these presents ought to be transacted at an annual general meeting. All other business transacted at an annual general meeting and all business transacted at an extra-ordinary meeting shall be deemed special. Where any item of business to be transacted at a meeting is deemed to be special in accordance with Section 173 of the Companies Act, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning such item of business including in particular the nature and extent of the interest, if any, therein of every Director, Managing Agents or manager, if any, of the Company. And 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 aforesaid statement.

*Quorum of the
meeting*

69. (a) Subject to the provisions of Article 71, the quorum for a general meeting shall be members personally present, not being less than five in number.
- (b) No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business. No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.

*Chairman of the
meeting*

70. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting or, if there be no such chairman or, if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as a Chairman of the meeting, the members present shall choose another Director as

Chairman and if no Director be present or if all Directors present decline to take the chair then the members present shall choose one of their members being a member entitled to vote, to be Chairman.

**Dissolution
adjournment of
general meetings**

71. If within 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 Directors may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those members who are present shall be a quorum and may transact the business for which the meeting was called.

**Voting resolution
where poll is not
demanded**

72. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll (before or on the declaration of the result of the show of hands) is demanded in the manner mentioned in section 179 of the Companies Act as amended, unless a poll so demanded, a declaration by the Chairman that on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the books of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes, recorded in favour of or against that resolution.

Poll

73. (a) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken on a demand made in that behalf by the person or persons specified in section 179 of the Companies Act.
- (b) If a poll is demanded as aforesaid it shall, subject to the provisions of Article 76, be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or otherwise, not being later than 48 hours from the time of such demand and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

**Notice of
business to be
transacted of an
adjourned
meeting**

74. Chairman of a general meeting may, with the consent of the meeting and shall if so directed by the meeting adjourn the same 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 30 days or more, notice of the adjourned meeting shall be given as in the case of original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Casting vote

75. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands taken place or at which the poll is demanded shall be entitled to a second or casting vote, in addition to the vote or votes to which he may be entitled as a member.

**Poll to be taken
forthwith**

76. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith.

**Poll not to
prevent the
continuance of a
meeting**

77. The demand for 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.

*Chairman is
judge of vote
tendered*

78. 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 judge of the validity of every vote tendered at such poll.

VOTES OF MEMBERS

Voting right

79. Subject to any rights or restrictions for the time being attached to any class of shares on a show of hands, every equity shareholder whether present in person or by proxy shall have one vote and on a poll the voting right of every equity shareholder, whether present in person or by proxy, shall be in proportion to his share of the paid-up equity capital of the Company.

*Voting of
corporation by
show of hands*

80. When a corporation being a member is present by proxy who is not a member, such proxy shall be entitled to vote for such corporation on a show of hands.

*Voting rights of
preference share
holders*

81. Except as conferred by section 87 of the Companies Act, the holders of preference shares shall have no voting rights. Where the holder of any preference share has a right to vote on any resolution in accordance with the provisions of sub-section (2) of section 87 of the Companies Act, his voting right on a poll as the holder of such share shall be subject to the provisions of section 89 and sub-section (2) of section 92 of the Companies Act, be in the same proportion as the capital paid-up in respect of the preference share bears to the total paid-up equity capital of the Company.

*Voting rights of
persons of
unsound mind,
minor etc.*

82. 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 such committee or guardian may, on a poll, vote by proxy. If any member is a minor the vote in respect of his share may be given by his guardian or any one of his guardians, if more than one selected in case of dispute by the Chairman of the meeting.

*Voting rights
under the
transmission
clause*

83. Any person entitled under the transmission clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

*Vote by joint
holders*

84. Where there are joint holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he was solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy that one of the said persons so present whose name stands first in the register in respect of such share, shall alone be entitled to vote in respect thereof. Several executors of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

Vote by Proxy

85. (a) Vote may be given either personally or by proxy. A proxy shall be entitled to vote either on a show of hands or on a poll.
- (b) The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or, if the appointee is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it. A proxy need not be a member.

- (c) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or notarial certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and, in default, the instrument of proxy, shall not be treated as valid.
- (d) Every instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances will admit, be in the form or to the effect following:

SER INDUSTRIES LIMITED

I/We in the District of being a member/members of the above named 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 at the annual general meeting/general meeting (not being an annual general meeting) of the Company, to be held on the day of and at any adjournment thereof.

Revenue
Stamp
& Sign.

Date this day of 19..... As witness my/our hands this day of 19.....
Signed by the said.....

- (e) If any such instrument of appointment be confined to the object of appointing an attorney or proxy or substitute, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company, if embracing other objects, a certified copy thereof shall be delivered to remain in the custody of the Company.
- (f) 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 the 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 of the Company before the meeting.

Restriction on
Voting

86. No member shall be entitled to be present, or to vote on any question, either personally or by proxy, at any general meeting or upon a poll, or be reckoned in a quorum, whilst any call or other sum in respect of the shares of such member shall be due and payable to the Company.

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 for retirement by rotation of Director/s. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of this said power shall ipso facto vacate such office immediately, the moneys owing by the Company to the Corporation is 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 any 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 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 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 same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee director/s in connection with their appointment of Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

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

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

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

Objection as
qualifications of
Voter

87. 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. Any such objection made in due time shall be referred to the chairman of the meeting who shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the time of taking a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

88. Until otherwise determined by general meeting, the number of Directors shall not be less than three or more than twelve excluding Debenture Directors, Technical Directors and Nominee Directors, if any.

The first Directors of the Company shall be:

- (1) SHRI VED PRAKASH GOYAL
(2) SHRI DASUDEO AGARWAL

Debenture
Director

89. Any trust deed for securing debenture or debenture stocks may if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of the debentures or debenture stock, of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture stocks from time to time to remove any Director so appointed. The Director so appointed under this Article is herein referred to as the "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation. The trust deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

Nominee Director

90. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC, UTI or any other Finance corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non-whole time, (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/places.

Technical Director	(b) The Board of Directors shall also be empowered to engage any one or more technical or expert persons to serve on the Board of Directors as Technical Director. Technical Director will serve on the Board in an advisory capacity and shall not participate in the voting, nor shall be entitled to same rights and privileges as any other Director of the Company.
Alternate Director	(c) The Board of Directors of the Company may appoint an alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State. An Alternate Director's appointment under this Article shall vacate office if and when the Original Director return to the State. If the term of office of the Original Director is determined before he so returns to the State any provision in the Act or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.
Qualification of Directors	91. The qualification of a Director excluding Debenture Director, or Technical Director or Special Director, if any, shall be holding of equity shares in the Company of the face value of Rs. 1,000/- (Rupees one thousand only).
Remuneration of Directors	92. Every Director other than the Managing/Wholetime Directors shall be paid out of the funds of the Company, by way of remuneration, a sitting fee of a maximum amount as fixed by the Central Govt. under Section 310 of the Companies Act, 1956, from time to time, for each meeting of the Board of Directors or any Committee of Directors attended by him, irrespective of the number of days for which such Meeting may continue consecutively and shall also be paid all travelling and other expenses properly incurred by him for attending and returning from Meetings of the Board of Directors or any Committee thereof or General Meetings of the Company or in connection with the business of the Company.
Extra remuneration of Directors	93. If any of the Directors shall be required by the Board to perform extra services for the Company, or if he is called upon to go out of station for any time in connection with any business of the Company he shall, subject to the provisions of Sections 309 and 310 of the Companies Act, be entitled to remuneration including travelling allowance for such services at such rate and in such manner as Company in general meeting may, in each particular case, determine by a special resolution.
Expenses of Directors	94. The Directors shall also be paid travelling allowance and other expenses incurred by them for the purpose of attending the meetings of the Board or their Committee. 95. The Continuing Directors may act, notwithstanding any vacancy in their body, but so that if the number falls below the minimum, above fixed, the Director shall not act so long as the number is below the minimum except for the purpose of filling vacancies.
Additional Director	96. (a) The Directors shall have power at anytime, and from time to time to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at the time exceed the maximum fixed as above. But any director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for election.
Casual Vacancy	(b) If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board. Any person so

appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid.

DISQUALIFICATION OF DIRECTORS

Disqualification of Directors

97. The office of a Director shall become vacant if:-

- (a) he fails to obtain within the time specified in subsection (1) of section 270 of the Companies Act or at any time thereafter ceases to hold the share qualification required of him by the Articles of the Company;
- (b) he is found to be of unsound mind by a court of competent jurisdiction;
- (c) he applies 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 is 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 alone or jointly with others, within six months from the last date fixed for payment of the calls 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 of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer without obtaining leave of absence from the Board;
- (h) he becomes disqualified by an order of Court under Section 203 of the Companies Act; or
- (i) he is removed in pursuance of Section 284 of the Companies Act.
- (j) having been appointed a Director by virtue of his holding an office or other employment in the company, or as a nominee of the managing agent of the company, he ceases to hold such office or other employment in the Company or, as the case may be, the managing agency comes to an end.

Removal of Directors

98. (a) The Company may by an ordinary resolution remove a Director (not being a Director appointed by the Central Government in pursuance of Section 408 of the Companies Act) before the expiry of his period of office.
- (b) 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.
- (c) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the company in General Meeting or by the Board in pursuance of Section 262 of the Companies Act, be filled by the appointment of another Director instead of his by the meeting at which he is removed provided special notice of the intended appointment has been given under subclause (b) above. 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.
- (d) If the vacancy is not filled under sub-clause (c) above it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable, of

section 262 of the Companies Act and all the provisions of that section shall apply accordingly; provided that the Director who is removed from the office shall not be reappointed as a Director by the Board.

ROTATION OF DIRECTORS

Retirement by rotation

99. Not less than two-thirds of the total number of Directors except Debenture Director, Technical Director or Nominee Director of the Company shall:-

- a) be persons whose period of office is liable to determination by retirement of Directors by rotation and
- b) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting;
- c) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall, unless they otherwise agree among themselves, be determined by lot. A retiring Director shall be eligible for re-election.

Election of new Director

100. No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting, unless he or some other member intending to propose him has, at least fourteen clear days before the meeting left at the office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, and every other person proposed as a Director shall file with the company his consent in writing to act as a Director, if appointed, along with a deposit of Five Hundred Rupees, which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.

If the place of retiring Director is not filled up

101. (a) If at any meeting at which any election of Directors ought to take place, the place of the retiring Director is not filled up, 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 re-appointed at the adjourned meeting unless:-
 - (i) at that meeting or at the previous meeting a resolution for the re-appointment 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 of Directors expressed his unwillingness to be re-appointed;
 - (iii) he is not qualified or is disqualified for appointment;
 - (iv) a resolution, whether special or ordinary, or is required for his appointment or re-appointment by virtue of any provisions of the Companies Act;
 - (v) the proviso to sub-section (2) of section 263 or sub-section (3) of section 280 of the Companies Act is applicable. Where a Director is to retire at any Annual General Meeting both by virtue of Article 99 (c) and by virtue of sub-section (2)

of section 280 of the Companies Act he shall be deemed for the purpose of these Articles, to retire by virtue of Article 89(c).

PROCEEDING OF DIRECTORS

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|--|--|
| Meeting of Directors | 102. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meeting and proceedings as they think fit. Provided however that a meeting of the Board of Directors shall be held at least once in every three calendar months, as provided in Section 285 of the Companies Act. |
| Notice of Meeting | 103. A Director may at any time call a meeting of the Directors for the disposal of business. A meeting of the Directors may ordinarily be called on three days' notice, but an emergency meeting of the Directors may be called on a shorter notice. Notice of every meeting of the Board of Directors of the Company 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. |
| Quorum | 104. The quorum for a meeting of the Board of Directors of the Company shall be one third of its total strength or two Directors whichever is higher, provided, that, if at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, shall be the quorum during such time. |
| Competent Meeting | 105. A meeting of the Directors 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 Directors generally. |
| Chairman of the Meeting | 106. The Directors may elect a Chairman of their meetings, and may determine the period for which he is to hold office; but if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting then the Directors present shall choose someone of their number to be Chairman of such meeting. |
| Casting vote | 107. The question arising at any meeting of Directors shall be decided by a majority of votes. In case of an equality of votes the Chairman will have a second or casting vote. |
| Delegation of powers of the Board | 108. (a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees or sub-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 or sub-committee, either wholly or in part and either as to persons or purposes, but every such committee shall in the exercise of powers so delegated, conform to any regulations that may, from time to time, be imposed by the Board. All acts done by any such committee or sub-committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Board.

(b) The Board may from time to time delegate all or any of the powers and authorities to the Managing Director or any other officer of the Company except those powers which under the Act or by these presents are required to be exercised or performed by the Board. |
| Proceedings of Committee | 109. The meeting and proceedings of any such committee or sub-committee consisting of two or more members shall be governed by the provisions herein contained for regulating the |

meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

*Resolution by
circulation*

110. A resolution shall be as valid and effectual as if it had been passed at a meeting of the Directors or of the committee thereof duly called and constituted if it is circulated in draft together with the necessary papers if any, to all the Directors or to all the members of the committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and all other Directors or members at their usual address in India and has been approved by such of the Directors or members as are then in India or by a majority of such of them as are entitled to vote on the resolution.

*When act of
Directors of
Committee Valid*

111. All acts done by any meeting of the Directors or of a committee of Directors, 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 persons acting as aforesaid or that they or any of them were disqualified be as if every such Director or person had been duly appointed, and was qualified to be a Director or a member of a Committee. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director or a person acting as aforesaid after his appointment has been shown to be invalid.

MINUTES

112. (a) The Directors shall cause Minutes of all proceedings of General Meetings and of all proceedings at meetings of the Board or of a Committee to be duly entered in books kept for the purpose within 14 days of the meeting, in accordance with the provisions of Section 193 of the Act.
- (b) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereof.
- (c) All appointments of officers made at any of the meeting aforesaid shall be included in the minutes of the meetings.
- (d) In the case of a meeting of the Board of Directors or of a Committee, the minutes shall also contain:-
- (i) The names of all Directors or members of the Committee present at the meeting, and
 - (ii) In case of each resolution passed at the meeting, the names of the Directors or members of the committee, if any, dissenting from or not concurring in the resolution.
- (e) All such minutes shall be signed by the person who presided as Chairman of the Board meeting or at the Committee meeting at which the business has been transacted or by the person who shall preside as chairman at the next Board meeting or Committee meeting respectively and shall, for all purposes whatever, be PRIMA FACIE evidence of the actual and regular transactions or occurrence of the proceedings and other matters purporting to be so recorded and of the regularity of the meeting at which the same shall appear to have taken place and of the Chairmanship and signature of the person appearing to have presided as Chairman.

BORROWING POWERS

Power to Borrow

113. Subject to section 292 of the Companies Act, the Directors or the Managing Director (within the limits fixed in that behalf by the Directors) may raise or borrow any sum or sums of money for the purpose of the Company and may secure payment or repayment of the same in such manner and upon such terms and conditions as the Directors or the Managing Director as the case may be, may think fit and in particular by the creation of any hypothecation, pledge or charge on and over the Company's stocks, debts and other movable property.

Provided that the Directors or the Managing Director shall not without the sanction of a General Meeting of the Company borrow any sum of money where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Acceptance of Deposits

114. The Directors or the Managing Director may receive deposits bearing interest at such rates as the Directors or the Managing Director, as the case may be may fix, which may be made payable monthly, quarterly, half-yearly or yearly. The acceptance of deposits shall be subject to the provisions of the Companies Act, 1956 and the rules framed thereunder and the directions issued by the Reserve Bank of India.

Repayment of Borrowed money

115. The Directors may raise or secure the repayment of such moneys, in such manner and upon such terms and conditions in all respect as they think fit, and in particular by the creation and issue of mortgages, charges or debenture stock or the issue of debentures secured or charged upon all or any part of the undertaking, property and rights of the Company (both present and/or future) including the uncalled capital or by making, giving, accepting, drawing or endorsing on behalf of the Company promissory notes or bills of exchange.

(a) Every debenture or other instrument issued by the Company for securing the payment of money may be so framed that the moneys thereby secured shall be assigned free from any equities between the company and the person to whom the same may be issued.

(b) Any debentures, debenture stock bonds or other instruments or securities may be issued at a discount, premium or otherwise, and may be issued on condition that they shall be convertible into any shares of any denomination, and with any special privileges as to redemption, surrender, drawings and allotment of shares or otherwise. Provided that the debentures with a right to conversion into or allotment of shares shall not be issued without the consent of the Company in General Meeting.

Commission on issue of Debentures

116. The Directors may at any time pay or agree to pay commission to any person in consideration of his subscribing, underwriting or agreeing to subscribe or underwrite (whether absolutely or conditionally) any debentures of the Company but so that if the commission shall be paid or be payable out of the capital, the statutory condition and requirements shall be observed and complied with and the commission shall not exceed two percent of the face-value of the debenture.

DIRECTOR MAY CONTRACT WITH THE COMPANY

*Contracts or
arrangement in
which a Director
is interested*

117. Subject to the provisions of section 297, 299, 300, 302 and 314 of the Act, the Directors (including a Managing Director, if any) shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or partnership or a body corporate of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is first considered, if the interest then exists or, in any other case, at the first meeting of Directors after the acquisition of the interest. Provided nevertheless that no Director shall vote or take part in the discussion as a Director in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so his vote shall not be counted, but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not be counted for the purpose of ascertaining whether there is a quorum of Directors present. This proviso shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any security by way of indemnity against any loss which they or any of them may suffer by becoming or being sureties for the Company.

*Disclosure of
interest of
Director*

118. (a) For the purpose of sub-section (1) and (2) of section 299 of the Act and Article 117, a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a partner of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
- (b) Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would otherwise have expired.
- (c) No such general notice, and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

POWERS OF THE DIRECTORS

*General Powers
of the Company
vest in the Board*

119. The business of the Company shall be managed by the Directors who may, in addition to the powers and authorities by the Act, or by these presents expressly conferred upon them, exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by the Act expressly directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of these presents and to the provisions of the Act and to such regulations being not inconsistent with the aforesaid regulations or provisions as may from time to

**Express Powers
of Directors**

time be prescribed by Company in general meeting, but no regulation made by the Company in general meeting, shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

120. Without prejudice to the general powers conferred by these presents but in furtherance thereof, it is hereby expressly declared that the Directors shall have the following powers, that is to say powers:-

- (a) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (b) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.
- (c) To pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash, or in shares, bonds, debentures 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.
- (d) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company, or in such other manner as they may think fit.
- (e) Subject to the provisions of Section 384 to 388 of the Act applicable to the appointment of Managers, to appoint and at their discretion remove or suspend such Managers, Secretaries, Experts and other Officers, Clerks, Agents and Servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and of such amount, as they think fit.
- (f) Subject to the provision of the Act and these presents to accept from any member, on such terms and conditions as shall be agreed, a surrender of the shares or any part thereof.
- (g) To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also to compound and allow time, for payment or satisfaction of any debts due and of any claims or demands by or against the Company and act on behalf of the Company in all matters relating to bankrupts and insolvents, and apply and obtain Letters of Administration, with or without will annexed, to the estate of persons with whom the Company shall have dealings.
- (h) To refer any claims or demands by or against the Company or to enter into any contract or agreement for reference to arbitration and observe and perform the awards.
- (i) To act as Trustees in composition of the Company's debtors.
- (j) To make and give receipts, release and other discharges for money payable to the Company and for the claims and demands of the Company.

- (k) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques releases, contracts and documents.
- (l) To provide from time to time for the management of the affairs of the Company in India or abroad in such manner as they think fit, and in particular to appoint any persons to be attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;
- (m) To invest and deal with any of the moneys of the Company not immediately required for the purpose thereof upon such securities (not being shares in this Company) and in such manner as they may think fit and from time to time to vary or realize the investments.
- (n) To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgages may contain a power of sale and powers, covenants and provisions as shall be agreed on or other agreements as may be thought fit.
- (o) To make, vary and repeal bye-laws for regulation of business of the Company and the duties of its officers and servants.
- (p) To give to any person employed by the Company a Commission on the profits of any particular business or transaction or a share of general profits of the Company, and such commission or share of profits shall be treated as part of the working expenses of the company.
- (q) To keep in safe custody the Seal of the Company and affix the same when required.
- (r) Before recommending any dividend, to set aside out of the profits of the Company, such sums as they think fit proper as a sinking fund, depreciation fund or reserve fund or to meet contingencies or for liquidation of debts and liabilities of the Company, or for equalization of dividends or special dividends or for repaying, improving and maintaining any of the property of the Company and for such other purpose as the Directors shall in their absolute discretion think conducive to the interests of the Company and to invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and to divide the reserve fund into such special funds as they think fit, with full power to employ the assets constituting the reserve fund or any part thereof in the business of the Company and without being bound to keep the same separate from the other assets.
- (s) To give or refuse permission to members to inspect the books of account or other documents of the Company or to visit the mills or factories without being liable to give reasons for the same subject to the provisions of Article 149.
- (t) From time to time to appoint Attorneys to represent the interest of the Company.
- (u) To enter into all such negotiations and 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 for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

- (v) To establish and support or aid in the establishment and support of institutions, funds, trusts and conveniences, calculated to benefit employees or ex-employees of the Company or the dependents or connections of such persons and to grant pensions and allowances and to make payments, towards insurance and subject to the provisions of section 293 of the Companies Act from time to time to subscribe or contribute to any charitable benevolent or useful object of a public character the support of which will in the opinion of the Directors tend to increase the Company's repute or popularity amongst its employees, its customers or the public.
- (x) To enter into partnership with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this company enters into partnership with others, all the provisions of the Indian Partners Act, 1932 shall apply to this company as if this company is an individual partner.
- (y) To invest in the capital of the partnership firm in which the company is a partner.

**Appointment of
Attorney**

121. (a) The Directors may at any time, and from time to time by power of Attorney under the seal, appoint any person to be the attorney of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointments may if the Directors think fit, be made in favour of any Company or of the members, Directors, nominees, or managers of any fluctuating body of persons either nominated directly or indirectly by the Directors and such Power of Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Directors think fit.
- (b) Any such delegates or attorneys as aforesaid may be authorised by the Directors to subdelegate all or any of the powers, authorities and discretions for the time being vesting in them subject to the provisions of the Act.
- (c) The Directors may comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

MANAGING DIRECTOR AND WHOLE TIME DIRECTORS

**Directors may
appoint
Managing
Director**

122. The Directors for the time being may, with the approval of the Central Government under Section 269 of the Act, appoint one or more of their body to be a Managing or Whole time Director of the Company or of any particular branch of the business thereof, for a term not exceeding five years and may, subject to any contract between him and the Company, from time to time remove or dismiss him from office and appoint another in his place, on entering into any contract with a Managing or Whole time Director or on the variation of any such contract the Company shall give the notices and otherwise observe the requirements of Section 302 of the Act.

**Retirement by
rotation**

123. A managing or whole time Director shall not, while he continues to hold the office, be liable to retire as hereinbefore provided but (subject to the provisions of any contract between him and the Company, and to the foregoing provisions) he shall be subject to

the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause, shall ipso facto and immediately cease to be a Managing or whole-time Director as the case may be.

Remuneration

124. The remuneration of a Managing Director or Whole-time Director shall from time to time be fixed by the Company and may be by way of salary or percentage of the profits or by both those modes. No increase in remuneration shall be made without the approval of Central Government as required by the Act.

Directors may confer powers to Managing Director

125. The Directors may from time to time entrust to and confer upon a Managing Director or whole-time Director such of the powers 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 may from time to time revoke, alter, or vary all or any of such powers.

SEAL

Common Seal

126. The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Director shall provide for the safe custody of the Seal for the time being.

Use of Common Seal

127. The Seal shall never be used except by the authority of the Directors or a committee of the Directors previously given and every deed or other instrument to which a Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company or by an officer duly authorised in that behalf by a resolution of a Board, be signed by one Director at least in whose presence the Seal shall have been affixed. Provided, nevertheless, that the certificate of shares issued by the Company shall be sealed and signed by two Directors and by some other person as shall from time to time be authorised by the Directors in that behalf subject to the provisions of the Companies (Issue of Share Certificate) Rules, 1960.

DIVIDENDS

Divisible Profits

128. Subject to the rights of holders of preference shares and other shares if any, issued upon special conditions and subject to the provisions of these presents as to reserve, depreciation and other funds to be set apart by the Directors or otherwise, the net profits of the Company (after making provision for carrying forward balance for the next year) shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively; provided always that any capital paid on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment 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.

Declaration of Dividend

129. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits, and may fix the time for payments, so however that the dividends shall be distributed within 42 days from the date of declaration.

Interim Dividend

130. The Directors, if in their opinion the position of the Company justifies, may from time to time, without the sanction of a general meeting, pay interim dividend to one or more

classes of shares to the exclusion of others at rates which may be differing from class to class and when declaring of such dividend they should satisfy themselves that the preference shares which have prior claim in respect of payment of dividend shall have their entire rated dividend at the time of final preparation of the accounts.

Quantum of Dividend	131. No larger dividend shall be declared than is recommended by the Directors, but the company in General Meeting may declare a smaller dividend.
Dividend in Cash and out of Profits	132. No dividend shall be payable except in cash and out of the profits of the Company or any other undistributed profits and no dividend shall carry any interest against the Company.
Net Profits of the Company	133. The declaration of the Directors as to the amount of the net profits of the Company shall, subject to section 349 of the Companies Act, be conclusive.
Statute to be complied with	134. In recommending and paying dividends, the Directors shall have regard to and comply with the provisions of Section 205 and 206 of the Companies Act: that the unclaimed dividends will not be forfeited and in case of such unclaimed dividends the procedure as prescribed under the provisions of section 205A of the Companies Act, will be followed.
Can be adjusted against dues	135. No member shall be entitled to receive payment of any dividend or interest 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 on account of any debts, liabilities or engagements of the members of the Company either alone or jointly with any other person or persons; and the Directors may deduct from the dividend or interest payable to any member all sums of money so due from him to the Company.
Dividend in case of Transfer of share	136. A transfer of shares shall not pass the right to any dividends declared thereon before the registration of the transfer.
Right to demand proof of possession of shares	137. The Directors shall have a right to demand from any registered shareholder before paying him any dividend, proof that he was in possession of shares at the time of declaration of dividend and that he has not sold the shares nor dividend after such declaration.
Dividend be applied in payment of calls	138. The Directors may from time to time make calls upon shares (subject to the provisions of this Article) in respect of any capital for the time being unpaid thereon and may determine that any dividend recommended by them instead of being paid or distributed in cash shall be applied in payment of such calls, and thereupon, subject to the sanction of General Meeting, such dividends shall without any further or other authority be so applied. If the Directors shall so determine, a General Meeting shall not have power to declare such dividends to be paid or applied otherwise than in accordance with such determination.
Retain the Dividends	139. (a) The Directors may retain the dividends payable upon shares in respect of which any person under the transmission clause is entitled to become a member or in respect of which any person under that clause is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.
Retain any dividend - Company has a lien	(b) The Directors may retain any dividend on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagement in respect of which the lien exists.
Mode of Payment	140. Unless otherwise directed any dividend may be paid by cheque or warrant sent by post to the registered address of the member or person entitled or in case of joint holders to

the registered address of that one whose name stands first on the register in respect of the joint holding and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. Dividend on share held jointly by two or more persons may be paid in the manner aforesaid to the first named of the joint holders.

Receipt

141. Any one of several persons who are registered as the joint holders of any share or the manager of any member's business may give effectual receipts for all dividends, and payments on account of dividends in respect of such shares provided that the Company may in its discretion refuse to pay any money by way of dividends to any person other than members personally.

Company shall not be responsible for the loss

142. The Company shall not be responsible for the loss of any cheque, dividend warrant or postal order sent by post in respect of dividends, whether by request or otherwise, to the registered address communicated to the office beforehand by the member or for any dividend lost by the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.

Notice of declaration of dividend

143. Notice of the declaration of any dividend whether interim or otherwise, shall be given to the registered holder of shares in the manner herein provided.

Forfeiture of unclaimed dividends

144. There shall be no forfeiture of unclaimed dividends before the claim on such dividends becomes barred by law.

RESERVES

Transfer to Reserves

145. The Directors may, but shall not be obliged, before recommending or declaring any dividend or bonus out of or in respect of the earnings or profits of the Company for any year or other period cause to be reserved or retained and set aside, out of such profits such sum as they may think proper to form one or more reserves or funds to meet contingencies or for equalising dividends or for repairing, improving and maintaining any of the property of the Company or for providing against losses, meeting of claims or liabilities of the Company or for such other purposes as the Directors may in their absolute discretion think conducive to the interest of the Company and the Directors shall have full power to employ the assets constituting the reserve fund in the business of the Company without being bound to keep the same separate from the other assets.

Equity shareholder entitled

146. Only the equity shareholders are entitled to the distribution of reserves or undistributed profits whether in the form of dividends or bonus share or distribution in any other form or manner.

ACCOUNTS

Directors shall cause proper books of account

147. The Directors shall cause proper books of account to be kept in which shall be entered true and complete account of the affairs and transactions of the Company and in this respect they shall comply with section 209 of the Act.

Place where books are to be kept

148. The books of account shall be kept at the registered office or at such other place as the Directors may decide, and when the Directors so decide, a notice in writing giving the full address of that other place shall be filed with the Registrar.

*Inspection by
members*

149. Any member (not being a director) shall not have the right of inspecting any account book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

CAPITALISATION OF PROFITS

150. (1) The company in General Meeting may, upon the recommendation of the Board, resolve:-

- (a) That it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3) either in or towards:-
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (ii) paying up in full unissued shares or debentures of the Company to be allotted and distributed credit as fully paid up, to and amongst such members in the proportions aforesaid; or
 - (iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- (3) A share premium account and capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

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

- (a) Make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and
 - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power;
- (a) To make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions, and also;
 - (b) To authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the paying up 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.

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

AUDIT

152. Once at least in every calendar year the accounts of the Company shall be examined and the correctness of the balance sheet and of the profit and loss account ascertained by one or more Auditors.
153. As regards the appointment and remuneration, qualification and disqualification, removal, powers, rights and duties of Auditors, the Directors shall have regard to section 224 to 231 of the Act.
154. Every account of the Directors, when audited and approved by a general meeting of the Company, shall be conclusive except as regard any error discovered therein within three calendar months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and henceforth shall be conclusive.

NOTICE

155. (1) A notice may 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 address in India) to the address, if any within India supplied by him to the Company for the giving of notices to him.
- (2) Where a notice is sent by post, service of the notice shall be deemed to have been effected by properly addressing, prepaying and posting a letter containing the notice and such service shall be deemed to have been effected in the case of a notice of a meeting at the expiration of 48 hours after the letter containing the same is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.
156. If a member has no registered address in India, and has not supplied to the Company an address within India for the giving of notice to him, a notice addressed to him and 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 the advertisement appears.
157. A notice 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.
158. A notice may be given by the Company to the persons entitled to a share in consequence of the death of 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 representative of the deceased or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be 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.

159. Any notice required to be given by the company to the members or any of them and not expressly provided for by the Companies Act or these presents shall be duly given to the person from whom he derives his title to such share.
160. Every person who by operation of law or transfer or other means whatsoever, shall become entitled to any shares, shall be bound by every notice in respect of such shares which, previously to his name and address being entered on the register, shall be duly given to the person from whom he derives his title to such shares.
161. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding such member be then deceased and whether or not the Company has notice of his death be deemed to have been duly served in respect of any shares registered in his name whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for purposes of these presents be deemed a 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.
162. The signature to any notice to be given by the Company may be written or printed, typed, lithographed or rubber stamped.
163. Where a given number of days, notice or notices extending over any other period is required to be given, the day of service shall, unless it is otherwise provided, be counted in such number of days or other period.

WINDING-UP

164. If the Company shall be wound up the surplus assets shall be applied in the first place in repaying to the holders of the preference shares the amount paid up thereon with all arrears or deficiency of dividend (if any) to the commencement of the winding up and the residue shall belong to the holders of the equity shares in proportion to the number of shares held by them respectively and the amounts paid up or reckoned as paid up thereon.
165. (a) If the surplus assets shall not be sufficient to repay the whole of the paid up capital such surplus assets shall be distributed subject to special preferential rights of the preference shareholders, if any, so that the losses shall be borne by the members as nearly as may be in proportion to the capital paid up or which ought to have been paid up on the shares held by them respectively at the commencement of the winding up. But this clause is to be without prejudice to the rights of the holders of shares issued on special conditions.
- (b) If upon the winding up of the Company, the surplus assets shall be more than sufficient to repay the whole of the paid up capital, the excess shall be distributed among the holders of the equity shares subject to special, preferential rights of the preference shareholders in respect of capital as well as cumulative dividend but to no other right of participation in its assets, in proportion to the capital paid or which ought to have been paid on the ordinary share held by them respectively at the commencement of the winding up other than amounts paid in advance of calls.
166. (a) The liquidator on any winding up (either voluntary, under supervision of Court or compulsory) may with the sanction of the special resolution and any other sanction

required by the act, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit in accordance with the provisions of the Act but so that no member shall be compelled to accept any shares or other securities wherein there is any liability.

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

INDEMNITY

167. Subject to the provisions of the Act, every Director, Manager, Auditor, Trustees, Secretary and other officer shall be indemnified by the Company from all losses and expenses incurred by them respectively in or about the discharge of their respective duties, except such as may happen from their own respective willful acts and defaults. Every Director, Auditor, Manager, Trustee or Officer of the Company shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Officer or Auditor in defending any proceeding whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Companies Act in which relief is granted to him by the Court.

168. (a) Subject to the provisions of section 201 of the Companies Act, no Director, Trustee, Auditor, 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.

- (b) The Directors, Managers, Auditors, Trustees, and Officers for the time being of the Company shall be indemnified out of the funds of the Company against all costs, charges, losses, damages, and expenses which they shall respectively incur or put to on account of any contract, act, deed, matter or thing which shall be made, done entered into or executed by them respectively on behalf of the company, and the Directors, Managers, Trustees or other officers shall be reimbursed by the Company all reasonable expenses incurred by them in or about any legal proceedings or arbitration on account of the Company or otherwise in the execution of their respective willful default or neglect; and any such Director or Manager or other officer shall be chargeable only for so much money as he or they shall actually receive and they respectively shall not be answerable for the acts, receipts, neglects or defaults of each other but each of them for his own acts, receipts, default or neglect only, nor shall they respectively be answerable for any banker, broker, collector or other persons with whom or into whose hands any property or moneys of the company may be deposited or come nor for the insufficiency of the title to any estate or property which may from time to time be acquired on behalf of the Company, nor for insufficiency of any security upon which any of the moneys of the Company shall be invested nor for any loss or damage which may happen in the execution of their respective offices unless the same shall happen through their own willful default or neglect.

*Directors not
liable for Acts of
each other*

SECRECY CLAUSE

169. Every Director, Manager, Auditor, Trustee, Member of a Committee, Officer, servant, agent, Accountant or other person employed in the business of the Company shall observe a strict secrecy respecting all transactions of the Company, and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Directors or by any meeting or by a court of law or by the person to whom matters relate, any except so far as may be necessary in order to comply with any of the provisions in these Articles contained.
170. No member shall be entitled to visit or inspect any works in the working premises of the Company without the permission of the Directors or to require disclosure of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company, and which in the opinion of the Directors will be inexpedient in the interest of the members of the Company to communicate to the public.

RECONSTRUCTION

171. On any sale of the undertaking of the Company the Board or the liquidators on a winding up may, if authorised by a special resolution, accept fully paid or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not either then existing or to be formed from the purchase in the whole or in part of the property of the company, and the Board (if the profits of the Company permit) or the liquidators (in a winding up) may distribute such shares or securities, or any other property of the Company amongst the members without realisation, or vest the same in trustees for them and any special resolution, may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members, contributories of the Company, and for the valuation of any such securities or property of such price and in such manner as the meeting may approve and all holders of shares shall, subject to the provisions of Section 395 of the Act be bound to accept shall be bound by any valuation or distribution so authorised, and all rights in relation thereto, save only waive in case the Company is proposed to be or is in the Section 494 of the Act as are incapable of being varied or excluded by these Articles.

Name, Address and Description of Subscribers	Number of shares taken by each Subscriber	Signature	Names, Address and descriptions of Witness
1) Vedprakash Goyal S/o Chabildas Goyal P.1 C.I.T. Road, Scheme L II, Calcutta-14, Merchant,	100 One hundred Only	Sd/-	V.H.Sharma, Business Executive, Road Transport Corporation, Exhibition Road, Patna
2) Basudeo Agarwal, S/o Ramchander Agarwal, P. 4 C.I.T. Road, Calcutta-14.	100 One hundred Only	Sd/-	
	200 Two hundred Only		

Dated this 11th day of February 1963

CERTIFIED TRUE COPY
FOR SER INDUSTRIES LIMITED

Marendra C. Patel
DIRECTOR

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FRESH CERTIFICATE OF INCORPORATION.

Consequent on Change of Name.

In the matter of the Registrar of Companies, Karnataka,
Bangalore.

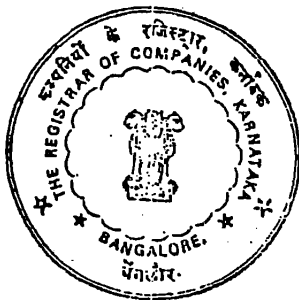
Under the Companies Act, 1956 (I of 1956)

In the matter of M/S. SOUTH EASTERN ROADWAYS PRIVATE LIMITED.

* * * * *

I hereby certify that SOUTH EASTERN ROADWAYS PRIVATE LIMITED,
which was originally incorporated on 18th February, 1963 under
the Companies Act, 1956 (1 of 1956) and under the name "SOUTH
EASTERN ROADWAYS PRIVATE LIMITED" having duly passed the necessary
resolution in terms of Section 21 of the Companies Act, 1956 the
name of the said Company is this day changed to the SOUTH EASTERN
ROADWAYS LIMITED and this certificate is issued pursuant to
Section 23(1) of the said Act.

Given under my hand at BANGALORE, this THIRD day of JULY,
1982. (One thousand nine hundred and Eighty two).



V.N. Jayanna
(V.N. JAYANNAH)
Asst. Registrar of Companies,
Karnataka, Bangalore.

CERTIFIED TRUE COPY

FOR SER INDUSTRIES LIMITED

Arendra Gaeel
DIRECTOR