

ARTICLES OF ASSOCIATION  
OF  
**BALMER LAWRIE AND COMPANY LIMITED**

**Effective from 1st January, 1959.-**

*As adopted by Special Resolution of the Company passed on  
30th December, 1958*

**PRELIMINARY**

1. Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which the Articles become binding on the Company.

In these presents, unless there be something in the subject or context inconsistent therewith :-

“The Act” means the Companies Act, 1956.

“The Company” means Balmer Lawrie and Company Limited.

“The Directors” means the Directors for the time being of the Company.

“The Board of Directors” or “the Board” means the Board of Directors for the time being of the Company.

“The Office” means the Registered office for the time being of the Company.

“Depositories Act” shall mean Depositories Act, 1996 or any statutory modification or re-enactment thereof.

“Beneficial Owner” shall have the meaning assigned thereto by Section 2(1)(a) of the Depositories Act, 1996.

“Depository” shall have the meaning assigned thereto by Section 2(1)(e) of the Depositories Act, 1996.

“Shareholder(s)” or “Member(s)” mean the duly registered holder(s) from time to time of the Share(s) of the Company and includes the subscriber(s) of the Memorandum of the Company and also every person holding Share(s) in the Company and whose name is entered as beneficial owner in the records of the Depository.

Inserted on  
24 September  
1998 by a  
special  
Resolution

“The Register of Members” means the Register of Members to be kept pursuant to Section 150 of the Act.

“The Registrar” means the Registrar of Companies, West Bengal.

“Dividend” includes bonus but does not include a distribution of shares in the Company by way of capital bonus.

“Dividend” includes interim dividend or any other dividend recommended by the Board inserted on of Directors for payment to the shareholders.

Inserted on  
25.9.2001

“Month” means calendar month.

“Proxy” includes attorney duly contributed under a power-of-attorney.

“In writing” and “written” include printing, lithography and other modes of representing or reproducing words in a visible form-

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

Words importing persons include corporations.

2. Save as reproduced herein the regulations contained in Table “A” in the First Schedule to the Companies Act, 1956 shall not apply to the Company.

### **CAPITAL**

#### **(a) Statement of Capital**

3. The Authorized Share Capital of the Company shall be as mentioned in the Clause 5 of Memorandum of Association. In case of redeemable preference shares, the terms of redemption shall be determined by the Board of Directors at the time of issue or before the redemption date of such shares.

Note :- On 10th October,1966 the Authorised Capital of the Company was increased to Rs.3,00,00,000 by the creation of 2,00,000 Ordinary Shares of Rs. 100 each.

Note :- On 25th September,1985 the Authorised Capital of the Company was increased to Rs.5,00,00,000 by the creation of 2,00,000 Ordinary Shares of Rs. 100 each.

Note :- On 23rd September,1988 the Authorised Capital of the Company was increased to Rs.8,00,00,000 by the creation of 3,00,000 Equity Shares of Rs. 100 each.

Note :- On 31st March,1989 each of the Authorised Ordinary Shares of Rs. 100 each in the Share Capital of the Company was sub-divided into 10 Ordinary Shares of Rs. 10 each.

Note:- On 3rd July,1989 the Authorised Capital of the Company was increased to Rs.15,00,00,000 by creation of 70,00,000 Equity Shares of Rs. 10 each.

Note :- On 28th September,1993 the Authorised Capital of the Company was increased to Rs.30,00,00,000 by the creation of 1,50,00,000 Equity Shares of Rs. 10 each.

Note :- On 25th September,2000 the Authorised Capital of the Company was divided into such number of Equity and Preference Shares of Rs. 10 each as would not exceed the total Capital amount of Rs. 30,00,00,000 (Rupees thirty crore only).

Note :- On 24th September,2013 the Authorised Capital of the Company was increased to Rs.60,00,00,000 (Rupees Sixty crore only) divided into such number of Equity and Preference Shares of the face value of Rs. 10 each as would not exceed the total Capital amount of Rs.60,00,00,000 (Rupees sixty crore only). This was done by the creation of 3,00,00,000 shares of Rs. 10 each.

Note :- On 22nd September,2016 the Authorised Capital of the Company was increased to Rs.120,00,00,000 (Rupees One Hundred and Twenty Crore only) divided into such number of Equity and Preference Shares of the face value of Rs. 10 each as would not exceed the total Capital amount of Rs. 120,00,00,000 (Rupees One Hundred and Twenty Crore only). This was done by the creation of 6,00,00,000 shares of Rs. 10 each.

#### **(b) Increase**

4. The Company by special resolution may from time to time alter the conditions of the Memorandum of Association to increase the capital by the creation of new shares of such amount as may be deemed expedient.

#### **(c) Reduction**

5. The Company by special resolution may from time to time reduce its capital and any share premium account or capital redemption reserve account in any manner and with and subject to any incident authorised and consent required by law.

### **Directors**

#### **(a) Composition of the Board**

6. Until otherwise determined by the Company by passing special resolution and otherwise comparing with the provisions of the Act, the number of the Directors of the Company shall not be less than three, nor more than sixteen.

Altered on 24  
September  
1998 by a  
Special  
Resolution

Altered on 22  
September  
2016 by a  
Special  
Resolution

## DIRECTORS

Note:- At the Annual General Meeting of the Company held on 24 September 2010, the maximum number of Directors of the Company was increased from twelve to sixteen.

7. Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

\*7A. Notwithstanding anything contained in these Articles and so long as the Company remains a Government Company, the President of India shall subject to the provisions of Article 6 thereof and Section 255 of the Act, be entitled to appoint one or more Directors (including wholetime Director(s) by whatever name called) of the Company to hold office for such period and upon such terms and condition as the President of India may from time to time decide.

In the event of any conflict between this Article and Article 47 hereof, this Article shall prevail over the said Article 47.

8. The continuing Directors may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum above fixed the Board shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum.

### **(b) Appointment by the Board**

9. The Board shall have power from time to time and at any 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 any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-appointment.

10. Any casual vacancy in the Board shall be filled in at the Meeting of the Board of the Directors and any person appointed as a casual Director, shall retain his office so long as the vacating Director would have retained.

Altered on 24  
September  
1999 by a  
Special  
Resolution

11. The Board may appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such an appointment shall have effect and such appointee; whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly; and shall ipso facto vacate office if and when the absent Director returns to the State in which meetings of the Board are ordinarily held or, the absent Director vacates office as a Director.

### **(c) Rotation and Re-appointment**

12. At each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. An additional Director appointed by the Board under Article 9 hereof shall not be liable to retire by rotation within the meaning of this Article.

13. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

• Adopted by a Special Resolution passed on 9th April, 1991

14. Save as permitted by Section 263 of the Act, every resolution of a general meeting for the appointment of a Director shall relate to one named individual only.

15. The Company, at the Annual General Meeting at which a Director retires by rotation in manner aforesaid, may fill the vacated office by appointing the retiring Director or some other person thereto.

If the place of the retiring Director is not so filled 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. If at the adjourned meeting also, the place of the retiring Director is not filled 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 :-

- (a) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the vote and lost; or
- (b) the retiring Director has by notice in writing addressed to the Company or the Board expressed his unwillingness to be re-appointed; or
- (c) he is not qualified or is disqualified for appointment; or
- (d) a resolution, whether special or ordinary, is required for his appointment or re\* appointment by virtue of any provisions of the Act; or
- (e) the provision to Section 263(2) or Section 280(3) of the Act is applicable to the case.

16. No Person not being a retiring Director shall be eligible for appointment to the office of Director at any general meeting unless he or some member intending to propose him has, not less than fourteen days not more than two months 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.

#### **(d) Removal**

17. The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution for which special notice has been given, remove any Director before the expiration of his period of office and may by ordinary resolution of which special notice has been given, appoint another person in his stead, if the Director so removed was appointed by the Company in General Meeting or by the Board under Article 10. The person so appointed shall hold office until the date up to which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed the Board may at any time thereafter fill such vacancy under the provisions of Article 10.

#### **(e) Vacation of Office**

18.(1) The office of a Director shall *ipso factobe* vacated if :-

- (a) when a qualification is required, he fails to obtain within the time specified in Section 270(1) of the Act, or at any time thereafter ceases to hold the share qualification necessary for his appointment; or
- (b) he is found to be of unsound mind by a court of competent jurisdiction; or

- (c) he applies to be adjudicated an insolvent; or
  - (d) he is adjudged an insolvent; or
  - (e) he is convicted by a court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six months; or
  - (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 the payment of the call; or
  - (g) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is the longer, without obtaining leave of absence from the Board; or
  - (h) he, or any firm of which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
  - (i) he acts in contravention of Section 299 of the Act; or
  - (j) he becomes disqualified by an order of court under Section 203 of the Act; or
  - (k) he be removed from office in pursuance of Section 284 of the Act; or
  - (l) by notice in writing to the Company he resigns his office; or
  - (m) an office or place of profit under the Company or under any subsidiary of the Company is held in contravention of Section 314(1) of the Act and by the operation of that section he is deemed to vacate office.
- (2) Notwithstanding any matter or thing in sub-clauses (d), (e) and (j) of Clause (1), the disqualification referred to in those sub-clauses shall not take effect :-
- (a) for thirty days from the date of adjudication, sentence or order, or
  - (b) where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order, until the expiry of seven days from the date on which such appeal or petition is disposed of; or
  - (c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

**(f) Qualification**

19. Unless otherwise determined by the Company in General Meeting a Director shall not be required to be registered in respect of ordinary shares as Director's qualification.

Altered on 21 September 1981 by a Special Resolution

**(g) Remuneration**

20. The non-executive directors shall be entitled for a sitting fee of such amount for attending any meeting of the Board of Directors or Committee thereof as may be determined by the Board of Directors within the ceiling as prescribed under Rule 10 B of the Companies (Central Government's) General Rules & Forms, 1956 or any other rule or notification from time to time, and all payments to the non-executive directors be disclosed in the annual accounts of the Company from time to time. The non-executive Directors shall also be entitled to be paid their reasonable travelling, hotel and other expenses incurred in the execution of their duties as Directors and members of any Committee.

Altered on 23 September 2005 by a Special Resolution



**(h) Office or Place of Profit**

21. No director, no partner or relative of a Director, no firm in which a Director or his relative is a partner, no private company of which a Director is a director or member and no director, managing agent, secretaries and treasurers or manager of such a private company shall, without the previous consent of the Company by special resolution, hold any office or place of profit under the Company or under any subsidiary of the Company (unless the remuneration received from such subsidiary in respect of such office or place is paid over to the Company or its holding company in so far as such remuneration over and above the remuneration to which he is entitled as a director of such subsidiary) except that of a managing director, managing agent, secretaries and treasurers, manager, legal or technical adviser, banker or trustee for the holders of debentures.

**(i) Other Directorships**

22. No Director who has been appointed a Managing Director of the Company shall without the consent of the Board be or become a director of any other company.

**(j) Contracts and Disclosure of Interest**

23. Subject to the provisions of Section 297 of the Act a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or, with a private company of which such Director is a member or director be avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of fiduciary relation thereby established.

24. Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice, renewable in the last month of each financial year of the Company, that a Director is a director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made and after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice 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.

25. No Director shall, as Director, take any part, in the discussion of, or vote on, any contract or arrangement in which he is in any way, whether directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote. This prohibition shall not apply to (a) any contract of indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surety for the Company; or (b) any contract or arrangement entered into or to be entered into by the Company with a public company, or with a private company which is a subsidiary of a public company, in which the interest of the Director consists solely in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the Company.

**(k) General Power of The Board**

26. Subject to the provisions of the Act, the control of the Company, shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power of doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

\*26A. Without prejudice to the generality of the provisions contained in Article 26 the Board may from time to time appoint at its discretion one or more persons as Special Director or Special Directors in the employment of the Company on such terms and conditions as to remuneration or otherwise as the Board may deem fit and to vary the same from time to time and at its discretion to remove or suspend such person or persons from the said office. A person so appointed may be designated as "Special Director" or "Executive Director" or with any other designation of which the word "Director" forms a part as the Board may determine and may sign instruments, papers and correspondence relating to the Company as such.

A person appointed under this Article shall not be a Director of the Company and the use of the word "Director" in the designation shall not be construed as constituting such person as a Director of the Company for any of the purposes of the Act, or the Rules made thereunder or any other Statute or the Memorandum or Articles of Association of the Company and such person shall not have any of the rights and powers or be subject to any of the duties and obligations of a Director of the Company. He may however attend the meetings of the Board as and when invited by the Board but shall not be entitled to vote thereat.

A person appointed under this Article shall exercise such powers and discharge such duties as the Board may from time to time determine.

\*\*26AA. Notwithstanding anything to the contrary contained in these Articles, so long as the company remains a Government company within the meaning of Section 617 of the Act, - the President of India shall be entitled to issue from time to time such directives or instructions as may be considered necessary in regard to the conduct of business and affairs of the Company. Provided that all instructions from the President of India shall be in writing addressed to the Chairman or Managing Director of the Company.

\* Adopted by a Special Resolution passed on 26th September, 1989.

\*\* Adopted by a Special resolution passed at an Extraordinary General Meeting held on 16th March, 1994.

**(l) Borrowing Powers**

27. The Board may, from time to time, at its discretion, subject to relevant provisions of Sections 292 and 372A of the Act raise or borrow from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company; provided that the Board shall not, except with the consent of a general meeting, borrow any sum of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purposes.

Inserted on  
24 September  
1999 by a  
Special  
Resolution

27A. Subject to the applicable provisions of the Companies Act, 1956 the Board may unanimously pass a resolution at its meeting with the prior approval of the public financial institutions referred in Section 4A, where any term loan is subsisting, in case of either directly or indirectly-

- (a) make any loan to any body corporate;
- (b) give any guarantee, or provide security, in connection with a loan made by any other person to, or to any other person by, any body corporate; and
- (c) acquire, by way of subscription, purchase or otherwise the securities of any other body corporate,

within the limits prescribed under the applicable provisions of the Companies Act, 1956. However, such limit can be exceeded by the Board of Directors at any time after obtaining previous approval of the members by a Special Resolution passed in a general meeting.

28. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and, in particular, by the issue of bonds, notes, convertible, redeemable or otherwise, perpetual debentures or debenture-stock, or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

29. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise, debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

30. Save as provided in Section 108 of the Act, no transfers of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

31. If the Board refuses to register the transfer of any debentures the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

**(m) Appointment of Secretary**

32. The Board may pursuant to the applicable provisions of the Companies Act, 1956 and the Company Secretaries Act, 1980 appoint an individual being a Company Secretary with the



meaning as given in the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications, to be the Secretary of the Company for any period any may fix the remuneration to be paid to and determine the power exercisable and duties (in addition to the duties, if any prescribed in these Articles or the Act) to be performed by such Secretary.

Altered on 24  
September  
1999 by a  
Special  
Resolution

#### **(n) Reserves**

33. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve, or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.

#### **(o) Proceedings of the Board**

34. The Board shall meet together at least once in every three months for the despatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director. Unless otherwise determined from time to time and at any time by the consent of all the Directors for the time being in India, meetings of the Board shall take place at the office.

35. A Director may at any time, and the Secretary shall, upon the request of a Director made at any time, convene a meeting of the Board.

36. The Directors shall choose some one of their number to be Chairman and the Director so chosen shall continue as Chairman until otherwise determined by the Board. If at any meeting of the Board the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose some one of their number to be the Chairman of such meeting.

37. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

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

39. Subject to the provisions of Sections 316, 372A and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes the Chairman of the Board shall have a second or casting vote.

40. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

41. The meetings and proceedings of any such committee consisting of two or more Directors, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the last preceding Article.

42. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles, Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after this appointment has been shown to the Company to be invalid or to have terminated.

43. Save in those cases where a resolution is required by Sections 262,292,297,316,372A and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of Directors, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with necessary papers, if any, to all the Directors, or to all the members of the committee of Directors, as the case may be, then in India (not being less in number than the quorum fixed for a meeting or the Board or committee, as the case may be) and to all other Directors or members of the committee at their usual address in India, and has been approved by such of them as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

44.(1) The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of the names of the Directors present at each meeting of the Board and of any committee of Directors and in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in, the resolution;
- (b) of all orders made by the Board and any committee of Directors;
- (c) of all appointments of Directors and other officers of the Company : and
- (d) of all proceeding of meetings of the Board and any committee of Directors.

The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

Provided that no matter need be included in any such minutes which the Chairman of the meeting, in his absolute discretion, is of opinion :-

- (a) is, could reasonably be regarded as, defamatory of any person :
- (b) is irrelevant or immaterial to the proceedings : or
- (c) is detrimental to the interests of the Company.

**(p) Chairman / Chairman & Managing Director / Managing Director(s)**

45. Subject to the provision of Sections 316 and 317 of the Act the Board may, from time to time appoint one or more Directors to be the Managing Director or Managing Directors of the Company, either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

## DIRECTORS/GENERAL MEETING

Notwithstanding anything to the contrary contained in the Articles of Association and so long as the Company remains a Government Company, the President of India shall, under Article 7A, be entitled to appoint the Chairman or the Chairman & Managing Director, the Managing Director or one or more Managing Directors of the Company and/or may re-designate any Managing Director as the Chairman & Managing Director of the Company.

Altered on 24  
September  
2010 by a  
Special  
Resolution

46. Subject to the provisions of the Act and in particular to the prohibition and restrictions contained in Section 292 thereof the Board may from time to time entrust to and confer upon any Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit; and it may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf; and may from time to time revoke, withdraw, after or very all or any of such powers.

47. Subject to the provisions of Section 255 of the Act, a Managing Director may be appointed on terms that he shall not, while he continues to hold that office, to subject to retirement by rotation within the meaning of Article 12 but (subject to the provisions of any contract between him and the Company) each Managing Director shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall *ipso facto* and immediately, cease to be a Managing Director if he ceases to hold the office of Director for any cause.

48. If at any time the total number of Managing Directors not subject to retirement by rotation is more than one-third of the total number of Directors, the Managing Directors who shall not retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article seniorities shall be determined by the data of appointment and, in the case of those with seniority from the same day in accordance with the provisions of Article 13.

49. Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition of the remuneration payable to him as a Director of the Company under these Articles receive such additional remuneration as may from time to time be sanctioned by the Company in General Meeting.

### GENERAL MEETINGS

#### (a) Annual and Extraordinary

50. In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166 (1) of the Act and, subject to the provisions of Section 166 (2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other general meeting of the Company shall be called an "Extraordinary General Meeting."

51. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

#### (b) Requisitioned Meeting

52. The Board shall, on the requisition of such number of members as are at the date of the deposit of the requisition registered in respect of not less than one-tenth of such of the paid up capital of the Company as at that date carried the right for voting in regard to the matter to be considered at the meeting, forthwith proceed to call an Extraordinary General Meeting, and in the case of such requisition the following provisions shall apply :

- (1) The requisition shall state the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Office. The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (2) Where two or more distinct matters are specified in the requisition, the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the member or members hereinbefore specified.
- (3) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters on a day not later than forty-five days from the date of deposit, the requisitionists or such of them as are enabled so to do by virtue of Section 169 (6) (b) of the Act may themselves call the meeting but any meeting so called shall not be commenced after three months from the date of the deposit.
- (4) Any meeting called under this Article by the requisitionists shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board but shall be held at the Office.
- (5) Where two or more members are registered jointly in respect of any share a requisition or notice calling a meeting signed by one or some only of them shall, for the purposes of this Article have the same force effect as if it had been signed by all of them.
- (6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as are in default.

**(c) Notice**

53. Save as provided in Section 171 (2) of the Act not less than twenty-one days notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of special business as hereinafter defined, there shall be annexed to the notice a statement complying with Section 173 (2) and (3) of the Act.

Notice of every meeting of the Company shall be given to every 'member of the Company, to the auditor of the Company and to any person entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such person.

The accidental omission to give any such notice to or the non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

54. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.

**(d) Business**

55. The ordinary business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and the report by the Board and the auditor, to appoint Directors in the place of those retiring by rotation; to appoint an auditor and fix his remuneration and to declare dividends. All other business transacted at an Annual General



Meeting and all business transacted at any other general meeting shall be deemed special business.

56. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members present in person shall be a quorum.

57. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 189 (1) of the Act, unless either the Act or these Articles specifically require such act to be done or resolution passed by a special resolution as defined in Section 189 (2) of the Act.

**(e) Chairman**

58. The Chairman of the Board shall be entitled to take the chair at every general meeting. 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, the members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect one of their member, being a member entitled to vote, to be Chairman of the meeting.

**(f) Voting**

59. Every question submitted to a meeting shall be decided, in the first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.

60. At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of the meeting on his own motion, or by at least five members having the right to vote on the resolution in question and present in person or by proxy, or by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of such resolution, or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on such resolution, being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all the shares conferring that right, a declaration by the Chairman that the resolution has or has not been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.

61 (1) If a poll is demanded as aforesaid it shall be taken forthwith on question of adjournment or election of a Chairman of the meeting and in any other case in such manner and at such time, not being later than forty-eight hours from the time when the demand was made, and at such place as the Chairman of the meeting directs, and subject as aforesaid, either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.

(2) The demand for a poll may be withdrawn at any time.

(3) Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers, one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is

available and willing to be appointed, to scrutinise the votes given on the poll and to report to him thereon.

- (4) On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- (5) 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.

62.(1) Save as hereinafter provided on a show of hands, every member present in person shall have one vote and every person present either as a General Proxy (as defined in Article 67) if he is not entitled to a vote in his own right, or as a duly authorised representative of a body corporate, shall have one vote.

- (2) Save as hereinafter provided, on a poll the voting rights of members shall be as specified in Section 87 of the Act.

63. Where a company, or a body corporate is a member of the Company (hereinafter called "member company") a person duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of the Company, shall not, by reason of such appointment, be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly signed by one director of such member, company and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member company which he represents, as that member company could exercise.

64. Any person entitled under Article 122 to transfer any share may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such share, provided that forty-eight hours at least 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 Board of his right to transfer such share, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or *non compos mentis* he may vote whether on a show of hands or on a poll by his committee, *curator bonis* or other legal curator and such last-mentioned person may give his vote by proxy.

65. Where there are members registered jointly in respect of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such members be present at any meeting either personally or by proxy, that one of the said members so present whose name stands first in the Register of Members in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purposes of this Article be deemed to be members registered jointly in respect thereof.

66. On a poll votes may be given either personally or by proxy, or, in the case of a body corporate, by a representative duly authorised as aforesaid.

67. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor is a body corporate be under its common seal or the hand of its officer or attorney duly authorised. A proxy who is appointed

for a specified meeting only shall be called a Special Proxy. Any other proxy shall be called a General Proxy.

A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him.

68. The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

69. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the Office before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

70. Every instrument appointing a Special Proxy shall be retained by the Company and shall as nearly as circumstances will admit, be in the form or to the effect following :

Balmer Lawrie and Company Limited.

I/We.....of.....being a member(s) of Balmer Lawrie and Company Limited, hereby appoint.....of .....(or failing him .....of.....) as my/our Proxy to attend and vote for me/us, and on my/our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the.....day of.....and at any adjournment thereof.

As witness my/our hand(s) this.....day of.....19.....Signed by the said

Provided always that an Instrument appointing a proxy may be in any of the forms set out in Schedule IX to the Act.

71. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

72. (1) Any objection as to the admission or rejection of a vote, either, on a show of hands, or, on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.

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

**(g) Dissolution and Adjournment**

73. If within half an hour from the time appointed for a meeting a quorum be 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 time and place as the Board may by notice appoint and if at such adjourned meeting a quorum be not present, those members who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called.

74. (1) The Chairman of a general meeting may 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.

(2) When a meeting is adjourned it shall not be necessary to give any notice of an ' adjourned or of the business to be transacted at an adjourned meeting.

**(h) Minutes**

75. The Company shall cause minutes to be duly entered in a book provided for the purpose of all proceedings of general meetings of the Company. The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat. Provided that no matter need be included in any such minutes which the Chairman of the meeting, in his absolute discretion is of the opinion:-

- (a) is, or could reasonably be regarded as, defamatory of any person :
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interest of the Company.

Any such minutes of any general meeting, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be evidence of the matters stated in such minutes..

The minute book of general meetings shall be kept at the Office.

**SHARES**

**(a) General Provisions**

76. Subject to the provisions of these Articles the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such person on such terms and conditions, and at such times, as the Board thinks fit either at par or at a premium and for such consideration as the Board thinks fit. Provided that where at any time (subsequent to the first allotment of shares) it is proposed to increase the subscribed capital of the Company by the issue of new shares, then, subject to any directions to the contrary which may be

given by the Company in General Meeting, the Board shall issue such shares in the manner set out in Section 81(1) of the Act save that the Board may determine whether or not any offer of shares made in such manner shall include a right exercisable by any person concerned to renounce all or any of the shares offered to him in favour of any other person.

76A. Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its Shares, Debentures and other Securities pursuant to the Depositories Act, 1996 and to offer its Shares, Debentures and other Securities for subscription in a dematerialised

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form. The Company shall further be entitled to maintain a Register of Members/ Debenture holders with the details of Members/Debenture holders holding of Shares/ Debentures both in material and dematerialised form in any media as permitted by law including any form of electronic media.

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members/Debenture holders as the holder of any Share/Debenture or whose name appears as the beneficial owner of Shares/Debentures in the records of the Depository as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim or interest, in such Share/ Debenture on the part of any other person whether or not it shall have express or implied notice thereof.

77. As regards all allotments made from time to time, the Company shall duly comply with Section 75 of the Act.

78. If the Company shall offer any of its shares to the public for subscription:-

(a) the amount payable on application on each share shall not be less than 5 per cent, of the nominal amount of the share.

(b) the Company shall comply with the provisions of Section 69 (4) of the Act.

79. The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate percent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the commission shall not exceed 5 percent, of the price at which any shares in respect whereof the same is paid are issued or 2 ½ percent, of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

80. 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, the Board may issue at a discount shares of a class already issued.

81. If by the conditions of allotment of any share, the whole or part of the amount of issue price thereof shall be payable by instalments, every such instalment shall be paid to the Company by the member registered in respect of the share or by his executor or administrator.

82. Save as herein otherwise provided, the Company shall be entitled to treat the member registered in respect of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court or competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

83. Share may be registered in the name of any person, Company or other body corporate including any beneficial owner whose name is entered in the records of the Depository. Not more than three persons shall be registered jointly as members in respect of any share.

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84. Subject to the provisions of Sections 100 to 105 of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

**(b) Calls**

85. The Board may from time to time subject to the terms on which any share may have been issued, and subject to the provision of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not 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 persons and at the times and places appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.

86. No call shall exceed one-fourth of the nominal amount of a share, or be made payable within one month after the last preceding call was payable. Not less than fourteen days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

87. 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 12 percent, per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Board may determine.

88. If by the terms of Issue of any share or otherwise any amount is made payable at any fixed time or by Instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

89. On the trial or hearing of any action of suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose in the Register of Members as a member in respect of the shares in relation to which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call nor that a quorum was present at the meeting of the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

90. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares registered in his name beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceed the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate

not exceeding 6 per cent, per annum as the member paying such sum in advance and the Board agree upon. Money so paid in excess of the amount of calls shall not rank for dividends. The Board may at any time repay the amount so advanced upon giving to such member not less than three months' notice in writing.

91. A call may be revoked or postponed at the discretion of the Board.

92. Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.

**(c) Certificates**

93. The certificates of title to shares and duplicates thereof when necessary shall be issued under the Common Seal of the Company.

94. Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name, or if the Board so approves to several certificates each for one or more of such shares, but in respect of each additional certificate, the Company shall be entitled to charge a fee of Rs 2 or such smaller sum as the Board may determine. Unless the conditions of issue of any shares otherwise provide the Company shall within 3 months after the date of the allotment or within 2 months after the receipt of an application for registration of the transfer of any of its shares, as the case may be, complete and have ready for delivery the certificates of such shares. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon. The Company shall not be bound to issue more than one certificate to members registered jointly in respect of any share and delivery of a certificate to one of such members shall be sufficient delivery to all such members. Provided however that the provision relating to progressive numbering shall not apply to the shares of the Company which are subject to dematerialisation.

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94A. Notwithstanding anything contained in Article 94 hereof the Board may refuse any application for sub-division or consolidation of number of shares or of certificates for shares of the Company into denomination of less than 50 shares except where such sub-division or consolidation is required to be made for compliance with any law or order or a decree of a competent Court or listing requirements of a Stock Exchange on which the Company's shares are or may be listed. Provided nevertheless that the Board may at its discretion and in exceptional circumstances and for avoiding any hardship or for any just and sufficient cause (on each of which the Board's decision shall be final and conclusive) accept any application for sub-division or consolidation of number of shares or of certificates for shares into denomination of less than 50 shares.

Adopted by a  
Special  
Resolution  
passed on  
16th March,  
1994

95. If any certificate be worn out or defaced, then, upon production thereof to the Board, the Board 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 Board and on such indemnity as the Board may deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to the share to which such lost or destroyed certificate shall relate. For every certificate issued under this Article there shall be paid to the Company the sum of Rs.2 or such smaller sum as the Board may determine.

95A. Nothing contained in Articles 93, 94, 94A and 95 shall apply to the transfer of shares, debentures or other marketable securities effected by the transferor and transferee both of whom are entered as beneficial owner in the records of the Depository.

95B. In case of transfer of shares, debentures or other marketable securities that the Company has not issued any Certificates and where shares and securities are being held in an electronic fungible form, the provisions of the Depositories Act shall apply.

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Provided that in respect of the shares, debentures and other marketable securities held by the Depository on behalf of a beneficial owner as defined in the Depositories Act, Sections 153, 153A, 153B, 187B, 187C and 372 of the Act, shall not apply.

Articles 93, 94, 94A and 95 not to apply in respect of those shares, debentures or other marketable securities entered in the records of the Depository.

**(d) New Issues**

96. Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company then issued, new shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto as the special resolution resolving upon the creation thereof shall direct, and if no direction be given, as the Board 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.

97. Before the issue of any new shares, the Company in General Meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or subject to the provisions of Section 79 of the Act, at a discount, in default of any such provisions, or so far as the same shall not extend, the new shares may be issued in conformity with the provisions of Articles 76.

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97A. The Company may issue sweat equity shares in accordance with the provisions of the Act, 1956 and the regulations made by the Securities and Exchange Board of India in this behalf and subject to the approval of the Board of Directors and the members by a Special Resolution and also by any other statutory or administrative authorities, as required. The Special Resolution should specify the number of sweat equity shares, market price at the time of issue of such shares, consideration, if any, and the class or classes of directors or employees to whom such equity shares are to be issued.

98. 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 then existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.

99. If, owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares any difficulty shall arise in the apportionment of such new shares or any of them amongst the members such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in General Meeting, be determined by the Board.

**(e) Forfeiture and Lien**

100. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the 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 may have been incurred by the Company by reason of such non-payment.

101. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and 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 nonpayment at or before the time, and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

102. If the requisitions of any such notice as aforesaid be 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 Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.



103. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

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

105. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

106. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding, remain liable to pay and shall forthwith pay to the Company all calls or instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at 12 per cent per annum, and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

107. A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom the shares are sold shall be registered as the member in respect of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

108. The Company shall have a first and paramount lien upon all the shares not being fully paid up registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such shares whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 82 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver for the Company's lien, if any, on such shares.

109. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as

aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, *curator bonis* or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such shares for seven days after the date of such notice.

110. 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 (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

111. Upon any sale after forfeiture or for enforcing a lien in-purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

112. Where any shares under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such share, the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered up.

**(f) Transfer and Transmission**

Altered on 24 September 1998 by a Special Resolution

113. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate, or if no such certificate is in existence, the letter of allotment of the share. The Instrument of transfer of any share shall specify the name, address and occupation (if any) both of the transferor and of the transferee and the transferor shall be deemed to remain the member in respect of such share until the name of the transferee is entered in the Register of Members in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation. In the case of transfer of shares where the Company has not issued any certificate and where such shares are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.

Inserted on 24 September 1999 by a Special Resolution

113A. Subject to compliance of the applicable provisions of the Companies Act, 1956 every sole or joint holders of share or deposit in, or debenture of the Company may, at any time nominate, in the prescribed manner, an individual to whom his or their sharers or deposit or debentures of the Company shall vest in the event of his death or in the event of death of all the joint holders, as the case may be.

114. Application for the registration of the transfer of a share 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 a partly paid share be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

115. The instrument of transfer of any share shall be in writing In the usual common form, or the following form, or as near thereto as circumstances will admit :-

Balmer Lawrie and Company Limited.

.....of..... in consideration of the sum of Rs. .... paid to me by.....of..... (hereinafter called the said transferee) do hereby transfer to the said transferee ..... share (or shares) numbered ..... to.....inclusive in the undertaking called Balmer Lawrie and Company Limited, to hold unto the said transferee,

his executor, administrator and assign, subject to the several conditions on which I held the same immediately before the execution hereof and I, the said transferee do hereby agree to take the said share (or shares) subject to the conditions aforesaid.

As witness our hands this ..... day of ..... 20

Witness to the signature of etc.

116. Subject to the provisions of Section 111 of the Act, the Board, without assigning any reason for such refusal, may, within two months from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien, and, in the case of a share not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve.

\*116A. Notwithstanding the Provisions of Article 116 the Board may not accept any application for registration of transfer of less than 50 shares except in the case of:

- (i) a transfer of shares made to comply with any law or statutory order or regulation or an order or a decree of a competent Court or listing requirements of a Stock Exchange on which the Company's shares are or may be listed;
- (ii) a single transfer by a Member holding less than 50 shares of all the shares so held by him to one or more transferees;
- (iii) a transfer by a Member holding less than 50 shares to one or more transferees where after such transfer the shareholding of the said transferees, as the case may be, will not be less than 50 shares; and
- (iv) a transfer of not less than 50 shares in the aggregate in favour of the same transferee by several transferors by two or more instruments of transfer submitted together to the Company.

Provided nevertheless that the Board may at its discretion and in exceptional circumstances and for avoiding any hardship or for any just and sufficient cause (on each of which the decision of the Board shall be final and conclusive) accept any application for registration of transfer of less than 50 shares.

117. No transfer shall be made to a minor or person of unsound mind, if the shares are not fully paid up

Altered on 24  
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118. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share subject to the instrument of transfer or if no such certificate is in existence by the letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

119. If the Board refuses to register the transfer of any share, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.

120. A fee not exceeding Rs. 2 may be charged for the registration of each transfer, grant of probate, grant of letters of administration, certificate of death or marriage, power-of-attorney or other instrument and shall, if required by the Board, be paid before the registration thereof.

- Adopted by a Special Resolution passed on 16th March. 1994.

121. The executor or administrator of a deceased member (nor being one of several registered jointly) shall be the only person recognised by the Company as having any title to the share registered in the name of such member, and in case of the death of any one or more of the members registered jointly in respect of any share, the survivor shall be the only person recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased member from any liability, on the share in respect of which he is registered jointly with any other member. Before recognising any executor or administrator the Board may require him to obtain a grant of probate or letters of administration or other legal representation, as the case may be, from a competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnify or otherwise as the Board, in its absolute discretion, may consider adequate.

Altered on 24  
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1999 by a  
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121 A. Any person who is a nominee by virtue of the provisions of Section 109A, upon production of such evidence as the case may be required by the Board, elect either-

- (a) to be registered himself as holder of the share or debenture or deposit, as the case may be; or
- (b) to make such transfer of share or debenture as the deceased shareholder or debentureholder, as the case may be, could have made.

Such nominee shall give to the Company a notice in writing signed by him giving the details as prescribed and accompanied with the death certificate of the deceased shareholder or debentureholder or deposit holder, as the case may be. Board may at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture. Such notice if not complied with within ninety days of service of the notice, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of the share and payment of interest or other moneys payable in respect of debenture or deposit, until the requirements of the notice have been duly complied with.

122. Any committee or guardian of a lunatic or minor member or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member 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 Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give) be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share.

123. (1) If the person so becoming entitled under Article 122 shall elect to be registered as a member in respect of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.
- (3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of an instrument of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

124. A person so becoming entitled under Article 122 to a share by reason of the death, lunacy, bankruptcy or insolvency of a member shall subject to the provisions of Article 64 and of Section 206 of the Act be entitled to the same dividends and other advantages to which he would be entitled if he were the member registered in respect of the share.



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

**(g) Consolidation and Subdivision**

125. The Company by special resolution may from time to time alter the conditions of the Memorandum of Association to :-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) subdivide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the subdivision the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

126. The resolution whereby any share is subdivided may determine that, as between the members registered in respect of the shares resulting from such subdivision, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others or other, subject, nevertheless, to the provisions of Sections 85, 87, 88 and 106 of the Act.

**(h) Capitalisation of Reserves**

127. Any general meeting may resolve that the whole or any part of the undivided profits of the Company (which expression shall include any premiums received on the issue of shares, and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised amount be applied on behalf of such members in paying up in full any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised amount. Provided that any sum standing to the credit of a share premium account or a capital redemption reserve account 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.

128. Any general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed amongst the members on the footing that they receive the same as capital.

129. For the purpose of giving effect to any resolution under the two last preceding Articles and Articles 150 the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised funds as may seem expedient to the Board.

Where requisite a proper contract shall be filed in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund and such appointment shall be effective.

**(I) Modification of Rights**

130. Whenever the capital (by reason of the issue of preference shares or otherwise) is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provisions of Sections 106 and 107 of the Act be modified, commuted, affected, abrogated, varied or dealt with by agreement between the Company and any persons purporting to contract on behalf of that class, provided such agreement, is (a) consented to in writing by the holders of at least three - fourths of the issued shares of that class or (b) sanctioned by a resolution passed at a separate general meeting of the members registered in respect of shares of that class in accordance with Section 106 (1) (b) of the Act and all the provisions herein contained as to general meetings shall, *mutatis mutandis*, apply to every such meeting except that the quorum thereof shall be at least two members registered in respect of or representing by proxy one-fifth of the nominal amount of the issued shares of that class. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

**BOOKS AND ACCOUNTS**

131. The Board shall cause to be kept in accordance with the provisions of Section 209 of the Act proper books of account with regard to :

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

132. The books of account shall be kept at the Office or at such other place in India as the Board thinks fit and shall be open for inspection by any Directors during business hours.

133. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the books of account and books and documents other than those referred to in Articles 44, 75 and 164 or any of them shall be open for inspection by the members not being Directors and no member (not being a Director) shall have any right of inspecting any books of account with regard to document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

134. At every Annual General Meeting the Board shall lay before the Company a balance sheet and profit and loss account made up in accordance with the provisions of Section 210 of the Act and such balance sheet and profit and loss account shall comply with the requirements of Sections 210,211,212,215 and 216 and Schedule VI to the Act so far as they are applicable to the Company but save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

135. There shall be attached to every balance sheet laid before the Company a report by the Board complying with Section 217 of the Act.

136. A copy of every balance sheet (including the profit and loss account, the report by the auditor and every other document required by law to be annexed or attached to the balance sheet) shall, as provided by Section 219 of the Act, not less than twenty-one days before the meeting be sent to every such member, debenture-holder, trustee and other person to whom the same is required to be sent by the said section.

### AUDITORS

137. Once at least in every year the books of account of the Company shall be examined by one or more auditor or auditors.

138. The Company at each Annual General Meeting shall appoint an auditor or auditors to hold office until the next Annual General Meeting and his or their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Act.

139. Where the Company has a branch office the provisions of Section 228 of the Act shall apply,

140. All notices of and other communications relating to any general meeting of the Company which any member is entitled to have sent to him shall also be forwarded to the auditor; and the auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as auditor.

141. The report by the auditor shall be read before the Company in General Meeting and shall be open for inspection by any member.

142. Every balance sheet and profit and loss account when audited and adopted by the Company in General Meeting shall be conclusive.

### DIVIDENDS

143. Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto, the profits of the Company which It shall from time to time be determined to divide, in respect of any year or other period shall be applied in the payment of a dividend on the ordinary shares of the Company but so that a partly paid up share shall only entitle me member registered in respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest such capital shall not whilst carrying interest, confer a right to participate in profits.

144. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provisions of Section 207 of the Act, fix the time for payment.

145. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

146. No dividend shall be payable except out of the profits of the Company or of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.

147. The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.

147A. Within 5 days from the date of declaration, the amount of dividend payable to the shareholders shall be deposited in a separate bank account with suitable nomenclature.

Inserted on  
25 September  
2001 by a  
Special  
Resolution

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

149. Subject to the provisions of Articles 86, any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call.

150. Any general meeting declaring a dividend may resolve that such dividend be paid, wholly or in part, by the distribution of specific assets, and in particular of paid-up shares debentures or debenture stock of the Company, or paid up shares debentures or debenture stock of any other Company, or in any one or more of such ways.

151. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.

152. No dividend shall be paid in respect of any share except to the member registered in respect of such share or to his order or to his bankers, but nothing contained in this Article shall be deemed to require the bankers of a member to make a separate application to the Company for the payment of the dividend.

153. Any one of several persons who are registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such shares.

154. Notice of any dividend, whether interim or otherwise, shall be given to the person entitled to share therein in the manner herein provided.

155. Unless otherwise directed in accordance with Section 206 of the Act, any dividend, interest or other moneys payable in cash in respect of any share may be paid by cheque or warrant sent by post to the registered address of the member or in the case of members registered jointly to the registered address of that one of the members registered jointly who is first named in the Register of Members in respect of such share or to such person and such address as the member or members registered jointly, as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

#### DIVIDENDS / NOTICES

Altered on 24 September 1999 and also on 25 September 2001 Vide special Resolution.

156. Where the Company has declared a dividend which has not been paid or claimed within thirty days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, open a Special Account called "Unpaid Dividend of Balmer Lawrie & Company Ltd." in that behalf in any scheduled bank and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed. Any money transferred to the said Unpaid Dividend Account of the Company which remains unpaid or unclaimed beyond such period from the date of transfer as specified under the provisions of the Act, shall be transferred by the Company to the Investor Education and Protection Fund (hereinafter referred to as the "Fund") of the Central Government.

Inserted on 24 September 1999 by a Special Resolution

156A. The following amounts i.e. amounts in the Unpaid Dividend Account, Application money received for the allotment of any securities but due for refund, matured but unclaimed deposits and/or debentures and interest accrued thereon shall be part of the aforesaid Fund. However, in case such Fund receives any grants and/or donations by the Central / State Governments, from other companies or institutions for the purpose of the Fund and all income arising out of interest income and/or investment income, shall also be part of the aforesaid Fund and any claim for repayment out of such Fund be preferred to the Committee as prescribed under the provisions of Sections 205A and 205C of the Act, by the claimant. The Board of Directors, however, shall not have any right to forfeit the aforesaid unclaimed and/or unpaid amount as stated above.

#### NOTICES

- 157.(1) A notice or other document 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 within India supplied by him to the Company for the giving of notices to him.
- (2) Where a notice or other document is sent by post



- (a) service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notices or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
- (b) unless the contrary is proved, such service shall be deemed to have been effected
  - (i) in case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and
  - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

158. A member shall supply the Company with an address in India for giving of notices to him.

159. A notice or other document may be served by the Company on the members registered jointly in respect of a share by transmission to the member named first in the Register of Members.

160. A notice or other document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it by post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased, or assignee of the insolvent or by any like description, at the address 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.

161. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register of Members shall have been duly given to the person from whom he derives his title to such share.

162. Subject to the provision of Article 160 any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company has notice of his demise, be deemed to have been duly served in respect of any share, whether registered solely or jointly with other persons, until some other person be registered in his stead as the member in respect thereof and such service shall for all 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.

163. Subject to the provisions of Sections 497 and 509 of the Act, in the event of a winding-up of the Company, every member of the Company who is not for the time being in the neighbourhood of the Office shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some house-holder residing in the neighbourhood of the Office upon whom all summons, notices, process, orders and judgements in relation to or under the winding-up of the Company may be served, and in default, of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee whether appointed by the member or the liquidator shall be deemed to be good personal service on such member for all purposes; and where the liquidator makes any such appointment he shall with all convenient despatch give notice thereof to such member by advertisement in some daily

newspaper circulating in the neighbourhood of the Office or by a registered letter sent by post and addressed to such member at his address as registered in the Register of Members and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of post. The provisions of this Article shall not prejudice the right of the liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

### REGISTERS AND RETURNS

164. The Company shall duly keep and maintain at the Office, in accordance with the requirements of the Act in that behalf, the following registers :

- (1) A register of charges pursuant to Section 143 of the Act.
- (2) A register of members pursuant to Section 150 and, whenever the Company has more than fifty members unless such register of members is in a form which itself constitutes an index, an index of members pursuant to Section 151 of the Act.
- (3) A register of debenture holders pursuant to Section 152 and, whenever the Company has more than fifty debenture holders, unless such register of debenture holders itself constitutes an index, an index of debenture holders pursuant to Section 152 (2) of the Act.
- (4) A register of contracts pursuant to Section 301 of the Act.
- (5) A register of directors, managing agents, secretaries and treasurers, manager, managing director and secretary pursuant to Section 303 of the Act.
- (6) A register of director's shareholding pursuant to Section 307 of the Act.
- (7) A register containing particulars of every investment or loan made, guarantee given or security provided to be maintained under sub-section (5) of Section 372A in case compliance of Sub-section (1) of Section 372A is made.
- (8) A register of investments not held by the Company in its own name pursuant to Section 49 (7) of the Act.
- (9) A register of the securities bought back, the consideration paid, the date of cancellation, extinguishing and physical destruction as prescribed under subsection (9) of Section 77A of the Act, to be maintained.

Altered on 24  
September  
1999 by a  
Special  
Resolution

Inserted on  
24 September  
1999 by a  
Special  
Resolution

Altered on 24  
September  
1999 by a  
Special  
Resolution

165. The Company shall comply with the provisions of Section 39, 118, 163, 196, 219, 301, 302, 307, 362 and 372A of the Act, as to the supplying of copies of any register, deed, document, instrument, return certificate and book therein mentioned to the persons therein specified when so required by such persons, on payment of the charges, if any, prescribed by the said sections.

166. The Company shall comply with the provision of Sections 159 and 161 of the Act as to the making of annual returns.

167. The Company shall comply with Section 220 of the Act as to filing copies of the balance sheet and profit and loss account and documents required to be annexed or attached thereto with the Registrar.

168. The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the neighbourhood of the office, close the register of members or the register of debenture holders as the case may be for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

169. Where under any provision of the Act any person, whether a member of the Company or not, is entitled to inspect any register, deed, document, instrument, return, certificate or book required to be kept or maintained by the Company, the person so entitled to inspection

## REGISTERS AND RETURNS/GENERAL PROVISIONS

shall, on his giving notice to the Company not less than twenty-four hours' previous notice in writing of his intention to inspect, be permitted to inspect the same during the hours of 10 a.m. and 12 noon on such business days as the Act requires them to be open for inspection.

### GENERAL PROVISIONS

#### (a) Purchase of Shares

170. Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of, or lent on the security of shares of the Company and the Company shall not give, directly or indirectly, any financial assistance whether by way of loan, guarantee, the provisions of security or otherwise, for the purpose of or in connection with any purchase of or subscription for shares in the Company or any company of which it may, for the time being be a subsidiary.

This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien conferred by Articles 108.

170A. Subject to compliance of the applicable provisions of the Companies Act, 1956 and in accordance with the regulations made by the prescribed authorities, and subject to authorisation by a Special Resolution passed in a general meeting of the members authorising the Company to purchase its own shares or other specified securities out of —

Inserted on  
24 September  
1999 by a  
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- (1) its free reserves, or
- (2) Securities Premium account, or
- (3) the proceeds of any shares or specified securities,

provided that such purchase shall be less or equal to the percentage as prescribed of its total paid-up capital and free reserves. The Company shall also extinguish and physically destroy the securities so bought-back within the prescribed number of days from the last date of completion of buy-back, and shall not make further issue of same class of shares [including allotment of further shares under clause (a) of subsection (1) of Section 81] or other specified securities within the period as specified by the provisions of the Act, except by way of bonus issue or in discharge of subsisting obligation such as conversion of warrants, stock option scheme, sweat equity or conversion of preference shares or debentures into equity shares. The Company shall also transfer the sum equal to the nominal value of the shares bought back to the Capital Redemption Reserve Account.

#### (b) The Seal

171 . The Board shall provide for the safe custody of the Common Seal of the Company. It shall never be used except by the authority previously given by the Board or a Committee of Directors authorised by the Board in that behalf and two Directors shall sign every instrument to which it is affixed. Provided nevertheless, that any instrument bearing the Common Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

#### (c) Indemnity

172. Every Director, Secretary or Officer of the Company, any person (whether an officer of the Company or not) employed by the Company, and any person appointed as auditor shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Secretary, Officer, employee or Auditor in defending any proceedings, 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 Act in which relief is granted to him by the Court.

**(d) Secrecy**

173. Every Director of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by any meeting in order to comply with or by a court of law and except so far as may be necessary by any of the provisions in these Articles contained.

174. No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or, subject to Article 133, to require discovery of any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board will be in expedient in the interest of the members of the Company to communicate.

175. 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, acceptfully 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 for the purchase in 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, benefits or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all members shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being-wound up, such statutory rights, if any, under Section 494 of the Act as are incapable of being varied or excluded by these Articles.

176. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares in respect of which they were respectively registered. If in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid-up or which ought to have been paid up on the shares in respect of which they were respectively registered. But this Article is to be without prejudice to the rights of the members registered in respect of shares issued upon special terms and conditions.

177. If the Company shall be wound up, whether voluntarily or otherwise, the Liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, 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 or any of them, as the Liquidators, with the like sanction, shall think fit.