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ARTICLES OF ASSOCIATION
OF

THE VICTORIA MILLS LIMITED.

I. PRELIMINARY

1. The regulation contained in the table marked "A" in the first Schedule to the Companies Act, 1956, shall not apply to the Company.

Table A not to apply.

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

Company to be governed by these Articles.

II. INTERPRETATION

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

Interpretation Clause.

(a) "The Act" or "the said Act" means the Companies Act, 1956 or any statutory modification or reenactment thereof for the time being in force.

The Act.

(b) "Board of Directors" or "Board" means the Board of Directors of the Company.

Board of Directors.

(c) "Director" means the Director of the Company for the time being.

Directors.

(d) The term "The Company or this Company" wherever used shall mean "The Victoria Mills Ltd.", established under the Memorandum of Association to which these articles are annexed or any other name it may adopt, its successors, assigns, substitutes as well as concern, whether limited or otherwise with which it amalgamates or transfers its business voluntarily or by operation of law.

The Company or this Company.

(e) "Dividend" includes Bonus.

Dividend.

(f) The term "Managing Agent" means Messrs. Mangaldas Mehta & Co. Private Ltd., their successors, and assigns, nominees and substitutes.

Managing Agent.

(g) "Month" means calendar month.

Month.

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

Office.

(i) "Registrar" means a Registrar or an Additional, a joint, a Deputy or an Assistant Registrar, having the duty of registering Companies under the Act.

Registrar.

(j) "Register of members" means the Register of members to be kept pursuant to the said Act.

Register of members.

(k) "Seal" means the common seal of the Company.

Seal.

Secretary .	(l) " Secretary " means any individual, firm or body corporate appointed to perform the duties which may be performed by a secretary under the act and any other purely ministerial or administrative duties .
Shareholders or Members .	(m) " Shareholders " or " Members " means the duly registered holders from time to time of the shares of the Company .
Special Resolution .	(n) " Special Resolution " shall have the meaning assigned thereto by Section 189 of the Act .
These Presents .	(o) " These Presents " means and includes the Memorandum and Articles of Association and the regulations of the Company from time to time in force .
Year .	(p) " Year " means the Accounting year of the Company as may be decided by the Board of Directors of the Company from time to time .
Singular number .	(q) Words importing the singular number include where the context admits or requires, the plural number and vice versa .
Gender .	(r) Where the context admits or requires words importing masculine gender include the feminine gender .
Persons to include firm etc.	(s) Words importing persons include where the context admits or requires firm, association and corporation .
Writing .	(t) Expression referring to writing shall unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form .
Expressions, which are not defined, to have meanings assigned to them in the Act, unless context otherwise requires .	(u) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof for the time being in force .

III. CAPITAL

Amount of Capital .	3. " RESOLVED that the Authorised capital of the Company which until its 32,000 preference shares were redeemed on 1st January, 1981, was Rs. 1,00,00,000 / - (Rupees One Crore) consisting of 92,000 (Ninety Two Thousand) Equity Shares of Rs. 100 / - (Rupees One Hundred) each, and 32,000 (Thirty two thousand) Cumulative redeemable, Preference Shares of Rs. 25/- (Rupees twenty five) each, be and is hereby increase to Rs. 2,00,00,000 / - (Two crores) consisting of 2,00,000 (Two lacs) Equity shares of Rs. 100/- (One hundred), each . "
Power of Company to alter its Capital .	4. The Company may by ordinary resolution from time to time alter the conditions of the Memorandum regarding its share capital in any one or more ways, provided for by Section 94 of the Act, i. e. by increasing or by consolidating and dividing its share capital, or by conversion of its fully paid-up shares into stock or reconversion of stock into shares or by sub-dividing or by cancelling its share capital .
Increase of Capital and how carried into effect .	5. The Company in General Meeting may by ordinary resolution from time to time increase the capital of the Company to any amount by the creation of new shares including redeemable preference shares as it may deem expedient . The new shares including Redeemable Preference Shares shall be issued upon such

terms and conditions and with such rights and privileges annexed thereto as may be prescribed by the General meeting resolving upon the creation thereof, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets the Company.

Provided that the new shares (not being Preference Shares) shall not carry voting rights or rights in the Company as to dividends, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares (not being Preference shares):

Provided further that when redeemable preference shares are issued, the Board shall have due regard to the provisions of Section 80 of the Act.

6. Where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, including redeemable preference shares, such capital may be increased by the allotment of further shares in accordance with the provisions of Section 81 of the Act.

Further issue of capital.

7. The Board may subject to the provisions of the Act, without any sanction of the Company at their sole discretion allot or otherwise dispose any of the shares in the capital of the Company either at par or premium or discount.

Board's power as to allotment.

7A. The option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.

8. The Company may from time to time, by special resolution reduce its capital in conformity with Sections 100 to 105 of the Act by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or reducing the liability on the shares or otherwise as may seem expedient; and capital may be paid off upon the footing that it may be called up again or otherwise; and the paid-up capital may be cancelled as aforesaid without reducing the nominal amount of the shares by the like amount, to the intent that the unpaid and callable capital shall be increased by the like amount.

Reduction of Capital, etc.

9. The Ordinary Resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from such subdivision one or more shares shall have some preference or special advantage as regards dividend, capital, voting, or otherwise over or as compared with the others or other.

Sub-division into preferred and equity capital.

10. If at any time Share Capital is, divided into different classes of shares, the right attached to any class, unless otherwise provided by the terms of issue of the shares of that class, may, subject to the provisions of Section 106 and 107 of the Companies Act, 1956, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these regulations relating to meeting shall *mutatis mutandis* apply. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise, expressly provided by the terms of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. This article is not to derogate from any power the Company would have if this article were omitted.

Modification of rights.

IV. SHARES AND CERTIFICATES

11. The Company shall cause to be kept a Register of Members in accordance with Section 150 of the Act.

Register of members to be kept.

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Register of members to be kept.

Shares to be numbered progressively and no shares to be subdivided.

Board may allot shares as fully paid up.

Acceptance of shares.

Deposit and call etc. to be a debt payable immediately.

Liability of members.

Certificate.

12. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

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

14. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accepts any shares and whose name is on register, shall for the purpose of these Articles, be a shareholder.

15. The money (if any) which the Board shall, on allotment of any shares by them require or direct to be paid by way of deposit call or otherwise shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares become a debt due to, and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

16. Every member or his executors or administrators shall pay to the Company a proportion of the capital represented by his share or shares which may for the time being have remained unpaid thereon, in such amounts, at such time or times and in such manner as the Board shall from time to time in accordance with the Company's regulations require.

17. (a) Every share certificate shall be issued under the seal of the Company which shall be affixed in the presence of (i) two directors or persons acting on behalf of the directors under a duly registered power of attorney; and (ii) the secretary or some other person appointed by the Board for the purpose. The two directors or their attorneys and the secretary or other person shall sign the share certificate;

Provided that, if the composition of the Board permits of it, at least one of the aforesaid two directors shall be a person other than a Managing or whole time director or, as the case may be, a director appointed by the managing agent in pursuance of Section 377 of the Act or a director to whom Section 261 of the Act applies.

Explanation: For the purpose of this article, a director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Provided always that notwithstanding anything contained in this Article the certificate of title to shares may be executed and issued in accordance with such other provisions of the Act, or the rules made thereunder, as may be in force for the time being and from time to time.

(b) Every member or allottee of shares shall be entitled to receive without payment a certificate under the seal of the Company, in such form as the Board shall prescribe or approve, specifying the share or shares allotted to him and the amount paid thereon. Two or more joint allottees of a share shall for the purpose of the Article be treated as a single member, and the certificate of any share which may be the subject of joint ownership may be delivered to any one of such joint owners on behalf of all of them. It shall be deemed to be a

condition of every issue of shares, debentures or debenture stock, that the Company shall have twelve months' time from the date of allotment to complete and have ready for delivery the certificates of shares, instead of the three months provided in sub-section (1) of Section 113 of the Act.

18. (a) No. certificate/s of any share or shares or debenture or debentures shall be issued either in exchange for those which are subdivided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or rendered useless for any cause whatsoever, or where the cages on the reverse for recording transfers have been duly utilised, unless the certificates in lieu of which they are issued are surrendered to the Company provided that the Company may charge such fee, if any, not exceeding one Rupee per certificate issued on splitting or consolidation of certificates or in replacement of certificates that are defaced or torn, as the Board thinks fit. any renewed certificate may be marked as such.

Renewal of certificate.

(b) No duplicate certificates shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board or without payment of such fee, if any, not exceeding one Rupee per certificate, and on such reasonable terms, if any, as to evidence of such loss or destruction and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit. The directors may in their discretion waive payment of such fee.

(c) Where a new certificate has been issued as aforesaid, particulars of every such certificate shall also be entered in a Register of Renewed and Duplicate Certificates indicating against the name or names of the person or persons to whom the certificate is issued. All entries made in the said Register shall be authenticated by the Secretary or such other person as may be appointed by the Board for purposes of sealing and signing the share certificate under provisions of Article 17.

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

Provided that, to the extent that the composition of the Board permits of it, at least half of the number of members of the Committee shall consist of directors other than managing or whole time director or a director appointed by the managing agent in pursuance of Section 377 of the Act, or to whom Section 261 of the Act applies.

19. If any share stands in the names of two or more persons, any one of them shall, as regards receipt of dividends or bonus, service of notice and all or any other matters connected with the Company, except voting at meetings and the transfer of shares be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

Any one of joint holders deemed sole holders.

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

Trusts not recognised.

21. (i) None of the funds of the Company shall be employed in the purchases of or lent on shares of the Company.

Funds of the Company not to be employed for purchase of or lending on, shares of the Company.

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

(a) The provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for, fully paid shares in the Company being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or

(b) The making by the Company of loans, within the limit laid down in clause (ii), to persons (other than Directors or managing agent), bonafide in the employment of the Company with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company to be held by themselves by way of beneficial ownership.

(ii) No loan made to any person in pursuance of sub-clause (b) of proviso to clause (i) shall exceed in amount his salary or wages at that time for a period of six months.

(iii) Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 80 of the Act or under any corresponding provision in any previous Companies Law.

Notice of change of
name or address.

22. Every shareholder who shall change his name or address shall give Notice of the change of name or address to the Company.

V. LIEN

Company's lien
on shares.

23. The Company shall have no lien on its fully paid-up shares. IN the case of partly paid-up shares, the Company shall have a first and paramount lien only in respect of all money called or payable at a fixed time in respect of such shares. Any 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 of the Company's lien, if any, on such shares. The directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article.

As to enforcing
lien by sale.

24. For the purpose of enforcing such lien, the directors may sell the shares subject thereto in such manner as they shall think fit, but no sell shall be made unless the sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell, shall have been served on such member, or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment or discharge of such debts, liabilities or engagements for seven days after such notice.

Application of
proceeds of sale.

25. The net proceeds of any such sale after payment of the cost of such sale be applied in or towards satisfaction of moneys called and payable in respect of such shares and residue (if any) paid to such member or the person (if any) entitled by Transmission to the shares so sold.

Validity of sales in
exercise of lien.

26. Upon any sale for enforcing a lien in purported exercise of the powers hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of shares sold and cause the purchaser's name to be entered in the Register 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 in respect of such shares the validity of the shares 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.

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

Board of Directors may issue new certificate.

VI. UNDERWRITING COMMISSION

28. (i) The Company may subject to the provisions of Section 76 of the Act at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares in or debentures of the Company but so that it shall not exceed 5% of the price at which the shares are issued and 2 1/2% of the price at which the debentures are issued.

Commission for underwriting shares or debentures.

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

VII. INTEREST OUT OF CAPITAL

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

Payment of interest out of capital.

VIII. CALLS

30. The Board may from time to time, but subject to the conditions hereinafter mentioned, make such calls as it thinks fit, upon the shareholders in respect of all monies for the time being unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times and every shareholder shall be liable to pay the amount of every call to the persons, and at the time and place, appointed by the Board; provided however, that calls shall be made on a uniform basis on all shares falling under the same class. A call may be made payable by instalments. A call may be revoked or postponed at the direction of the Board.

Board may make calls to be paid by shareholders.

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

31. Fifteen days' notice at the least shall be given by the Company (either by letter to the member or by advertisement) of the time and place fixed by the Board for payment of every call made payable otherwise than on allotment.

Notice of call.

32. A call shall be deemed to have been made at the time when the resolution authorising it was passed.

Call to date from resolution.

33. The Board may from time to time at its discretion extend the time fixed for the payment of any call and may extend such time as to all or any of the shareholders who, from residence at a distance or other cause of any nature whatsoever, the Board may deem fairly entitled to such extension; but no shareholder shall be entitled to such extension save as a matter of grace and favour.

Board may extend time.

Call to carry interest.

34. If any shareholder fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest for the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but not exceeding 9%; but nothing in this Article shall be deemed to make it compulsory upon the Board to demand or recover any interest from any such shareholder.

Partial payment not to preclude forfeiture.

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

Evidence in action for call.

36. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder or one of the holders, of the shares in respect of which such debt is accrued and that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued, in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payments in anticipation of calls at interest.

37. The Board may, if it thinks fit, receive from any of the shareholders willing to advance the same, the whole or any part of the amounts of their respective shares beyond the sum actually called up; and upon the monies so paid in advance, or upon so much thereof as from time to time, exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest at such rate as the shareholder paying the sum in advance and the Board agree upon; provided that a shareholder shall not be entitled to participate in profits or dividend or to any voting rights in respect of the money paid in advance by him until the same would, but for such payment become presently payable and provided further that at any time after the payment of any such money so paid in advance, it shall be lawful for the Board from time to time to repay to such shareholders so much of such money as shall then exceed the amount of the calls made upon such shares, unless there be an express agreement to the contrary and after such re-payment, such shareholder shall be liable to pay and such shares shall be charged with the payment of all future calls, as if no such advance had been made.

Power of Company to accept unpaid share capital, although not called up.

38. The Company may accept from any member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

Payment of dividend in proportion to amount paid up.

39. The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than others.

IX. FORFEITURE AND SURRENDER

If call not paid notice to be given to shareholders.

40. If any shareholder fails to pay any call or instalment on or before the day, fixed for the payment of the same, the Board may, at any time thereafter during such time as the call or instalment remains unpaid, give notice to him or his heir, administrator, executor or assign or if none be known to the Company, then by advertisement 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 reasons of such non-payment.

Terms of Notice.

41. The notice shall name a day (not being less than fifteen 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 and the notice

shall also state that in the event of non-payment at or before the time and at the place fixed, the shares in respect of which the call was made or instalment was payable, will be liable to be forfeited.

42. If the requisitions of any such notice as aforesaid shall not be 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.

In default of payment, shares to be forfeited.

43. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof shall forthwith be made in the register of members.

Notice of forfeiture to shareholder.

44. Any shares so forfeited shall thereupon become the property of the Company, and may be sold, reallocated, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Forfeited shares to be property of the Company and may be sold, etc.

45. Any shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay to the Company all calls, 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 such rate not exceeding 9 percent, per annum, as the Board may determine, and the Board may enforce the payment thereof if they think fit.

Shareholder still liable to pay the money owing at the time of forfeiture.

46. The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in and also of all claims and demand against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these presents are expressly saved.

Effect of forfeiture.

47. A certificate in writing under the hands of two directors, and countersigned by the managing agent, if any that a call in respect of any share was made, and notice thereof given, and that default in payment of the call was made and that the forfeiture of the share was made by a resolution of the Board to that effect, shall be sufficient evidence of the fact stated therein as against all persons entitled to such share, and such declaration and the receipt of the Company for the price of such share, shall constitute a good title to such share; and a certificate of proprietorship shall be delivered to the purchaser, and thereupon he shall be deemed the holder of such share discharged from all calls due prior to such purchase, and he shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity in the proceedings in reference to such forfeiture or sale.

Certificate of forfeiture.

48. In the meantime and until any share so forfeited shall be sold reallocated, or otherwise dealt with as aforesaid, the forfeiture thereof may at the discretion and by a resolution of the Board be remitted as a matter of grace and favour, and not as of right, on payment to the Company of the money which was owing thereon to the Company at the time of forfeiture thereof being declared with interest for the same up to the time of the actual payment thereof if the Board shall think fit to receive the same, or on any other terms which the Board may deem reasonable.

Forfeiture may be remitted.

49. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of the issue of a share becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had been payable by virtue of a call.

Provisions relating to forfeiture to apply in case of non-payment of sum on the issue of shares.

Board may accept
surrender of shares

50. The Board may, at any time so far as may be permissible by law, accept the surrender of any share, from or by any shareholder desirous of surrendering, on such terms as the Board may think fit.

Validity of sales on
enforcement of lien
on, and surrender
of shares

51. (a) Upon any sale after surrender or forfeiture purported to have been made by virtue of the powers hereinbefore given the Board may appoint some person to execute an instrument of transfer of the shares sold and may cause the purchaser's name to be entered in the Register in respect of the shares sold, and the person to whom the shares are so sold or disposed of shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale or disposal of the shares. The validity of sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Board of directors
may issue new
certificates

(b) Where any shares under the powers in that behalf herein contained are sold by the Board of directors after forfeiture or for enforcing a lien and the certificate in respect thereof has not been delivered upto the Company by the Former holder of such shares, the Board of directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

X. TRANSFER AND TRANSMISSION OF SHARES

Register of
transfers

52. The Company shall keep a book to be called "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Share to be
transferred by an
instrument in
writing

53. (1) Until 30th September, 1966 Shares in the Company shall be transferred by an instrument in writing in the form prescribed for the time being under the Act and/or the Rules or by the Authorities of the Stock Exchange, or in a form as near there to as circumstances will admit.

(2) On and after 1st October, 1966, shares in the company shall be transferred by an instrument in writing in such form as may from time to time be prescribed under the Act, and/or the Rule made thereunder.

(3) All the provisions of Section 108 of the Act and of any statutory amendments thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration of such transfers.

To be executed
by Transferor
& Transferee

54. Every such instrument of transfer, shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain a holder of such share until the name of transferee is entered in the Register of Members in respect thereof.

Closing of
Register

55. The Company may on giving seven day's notice by advertisement in some newspapers circulating in the city of Mumbai close the Register of Members for any time or times not exceeding in the whole 45 days in each year and not exceeding 30 days at a time.

Board may refuse
to register transfers
without assigning
any reason

56. The Board, subject to the right to appeal conferred by section 111 of the Act, may decline to register any transfer of shares where the transferee is not approved by the Board and in any case in which the Company has a lien upon the shares or any them. The Board shall in no case be bound to give or assign any reason for its refusal to register or allow any transfer and the Board's power, as its own discretion to refuse any transfer, shall not be affected by the fact of the proposed transferee being already a registered shareholder of the Company. If the Board refused to register a transfer of any shares it shall within two months after the date on which transfer was lodged with the Company, send to the transferee and transferor notice of the refusal, provided that registration of a transfer shall not be refused on the ground of the transferor being, either alone

or jointly with any other person or persons, indebted to the Company on any account whatsoever unless the company has a lien on shares.

57. The Board shall have same right to decline to register a person entitled for transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration.

Board may refuse Transmission.

58. The provisions of Articles 56 & 57 dealing with the Board's power to decline to register the transfer and transmission of shares shall also apply in case of debentures.

Articles 56 & 57 applicable in case of debentures also.

59. In the case of death of any one or more of the persons named in the Register as joint holders of any share the survivor or survivors shall be the only persons 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 joint holder from any liability on shares held by him jointly with any other person.

Death of one or more joint shareholders.

60. The executors or administrators of a deceased shareholders, not being one of the several joint shareholders, shall be the only person recognised by the Company as having any title to his shares and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court of India, provided that in any case the Board may dispense with production of Probate, Letters of Administration or Succession Certificate and under next article, register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased shareholder.

Title to shares of deceased holder.

61. Any person becoming interested in a share in consequence of the death, bankruptcy or insolvency of any shareholder, or by lawful means other than by a transfer in accordance with these presents, upon producing evidence that he sustains the character in respect of which he proposes to act under this clause or of his title, may with consent of the Board (which it shall not be under any obligation to give) and giving such indemnity as the Board think sufficient, either be registered himself as the holder of the share or may elect to have some person nominated by him, and approved by the Board, registered as such holder; provided nevertheless that if he shall elect to his nominees being registered, he shall testify the election by executing to his nominee an instrument of transfer of the share, in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of the share.

Registration of persons entitled to shares otherwise than by transfer.

62. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares except that he shall not, before being registered as a member in respect of the share be entitled in respect of it, to exercise any right conferred by membership in relation to meeting of the Company;

Rights and obligations of persons entitled to shares otherwise than by transfer.

Provided that the board at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares, until requirements of the notice have been complied with.

63. The instrument of transfer shall be presented to the Company together with such evidence as the Board may require to prove the title of transferor and generally under and subject to such conditions and regulations as the Board shall from time to time prescribe, and every registered instrument of transfer shall remain permanently in the custody of the Company.

Transfer to be presented with evidence of title.

Transfer by legal representative.

64. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

The Board may require evidence of transmission.

65. Every transmission of a share shall be verified in such manner as the Board may require and Board may refuse to register any such transmission until the same be so verified and regulations of the Company be complied with.

The Board may refuse transmission for want of evidence etc.

66. The Board may decline to recognise any transmission of any shares unless ---

- (i) The application for transmission is accompanied by the certificates of the shares to which it relates, and such other evidence as the Board may require to show the right to transmission;
- (ii) The application for transmission is in respect of only one class of share; and
- (iii) The application for transmission is duly stamped.

The Board may refuse transfer for want of evidence or title, etc.

67. The Board may also decline to recognise any instrument of transfer unless ---

- (a) The instrument of transfer is accompanied by the Certificates of the shares to which it relates, and such other evidence as the Board may require to show the right of transferor, to make the transfer;
- (b) The instrument of transfer is in respect of only one class of shares; and
- (c) The instrument of transfer is duly stamped.

The Company not liable for disregard of a notice prohibiting registration of a transfer.

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

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

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

XI. CONVERSION OF SHARES INTO STOCK

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

Shares may be converted into stock.

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

Right of stockholders.

XII. GENERAL MEETINGS

72. (a) The company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meetings as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting and that of the next;

Annual General Meetings.

Provided that the time may be extended by further period not exceeding three months if there is any special reason for so doing and if the same has been permitted by the Registrar.

(b) Every annual general meeting shall be called at a time during business hours, on a day that is not public holiday, and shall be held either at the registered office of the Company or at some other place within the limits of Mumbai.

Annual General Meeting shall be called during business hours, etc.

(c) The Company shall prepare the Annual Return and balance sheet and profit and loss account and forward the same to the Registrar of the Companies in accordance with Sections 159, 161 and 220 of the Act.

Annual Summary.

73. The General Meeting referred to in article 72 shall be called and styled as Annual General Meeting and all other meetings shall be called Extraordinary General Meeting.

Distinction between Annual General Meeting and Extra-Ordinary General Meeting.

74. The Board may, whenever it thinks fit call an extra-ordinary general meeting of the Company and it shall, in regard to any matter on the requisition of members of the Company representing not less than one-tenth of such of the paid-up capital of the Company as at the date of the requisition carries the right of voting in regard to that matter, forthwith proceed to convene an extra-ordinary general meeting of the Company, and in the case of such requisition, the provisions of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

Calling of Extra-Ordinary General Meeting.

Notice of Meeting.

75. Subject to provisions of sub-section (2) of Section 171 of the Act as regards shorter notice a general meeting of the Company may be called by giving not less than twentyone days' notice in writing. Every such notice shall specify the place and the day and the hour of the meeting, and shall contain a statement of the business to be transacted thereat. There shall appear with reasonable prominence a statement in the notice that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member. And in case of a special business, an explanatory statement setting out all material facts concerning each item of business, including in particular the nature of the concern or interest if any, therein, of every director and the Managing Agent, shall be annexed to the notice, provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects, any other company, the extent of shareholding interest in that other company of every director and the Managing Agents of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty percent of the paid-up share capital of that other company. Where an item of business consist of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid. The above notice shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company in general meeting and by the provisions of the Act, to such persons as are under the Act or the regulations of the Company entitled to receive such notices from the Company, but the accidental omission to give notice to, or non-receipt of notice by any member shall not invalidate the proceedings at any general meeting.

By whom to be signed.

76. Every such notice shall be signed by the Managing Agent, or by such other officer as the Board may appoint except in case of a meeting convened by Shareholders in accordance with these presents in which case the notice may be signed by the shareholders convening the same; in the manner as provided in Section 169 (6) of the Act.

Business of annual general meeting.

77. (a) In the case of an annual general meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to:

- (1) the consideration of the account, balance sheet and profit and loss account and the report of the Board of Directors and of the auditors,
- (2) the declaration of dividend,
- (3) the appointment of directors in the place of those retiring,
- (4) the appointment and the fixing of the remuneration of the auditors.

In the case of any other meeting all business shall be deemed special.

(b) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all the material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every director, the managing agent, if any, the secretaries and treasurers, if any. The requirement of Section 173 of the Act shall be complied with in this connection.

78. No annual General Meeting or Extra-Ordinary General Meeting shall be competent to enter upon, or discuss, or transact any business which had not been specially mentioned in the notice or notices upon which it was convened. Notice of other business to be given.
79. Five members personally present shall be the quorum for any General Meeting of the Company. Quorum to be present.
80. If at the expiration of half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine. If quorum not present meeting to be dissolved or adjourned.
81. If at the adjourned meeting also a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which meeting was called. Adjourned meeting to transact business.
82. The Chairman (if any) of the Board shall, if willing, preside as Chairman at General Meeting including Annual and Extra-Ordinary; but if there be no such Chairman or in case of his absence or refusal to preside, someone of the Directors shall be chosen to be chairman of the Meeting. Chairman or a Director to be Chairman of General Meeting.
83. If at any meeting a quorum of shareholders shall be present and the Chair shall not be taken by the Chairman of the Board or by a Director at the expiration of fifteen minutes from the time appointed for holding the meeting, or if before the expiration of that time all the Directors decline to take the Chair, the shareholders present shall choose one of their own number to be Chairman of the meeting. In case of absence of or refusal by a Chairman or Director, a shareholder may preside.
84. No business shall be discussed at any General Meeting, except that of the election of a Chairman, whilst the chair is vacant. Business confined to election of Chairman while chair vacant.
85. The Chairman may adjourn any meeting from time to time, and from place to place in Mumbai, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. Chairman may adjourn meeting.
86. Where a Resolution is passed at an adjourned meeting of the Company, the Resolution shall, for all purpose, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date. Resolution passed at adjourned meeting.
87. Every question submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes the Chairman shall, both on the show of hands and at a poll (if any) have a casting vote in addition to his own vote or votes to which he may be entitled as a member. Motion how decided.
88. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of the meeting or by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on

which an aggregate sum of not less than fifty thousand rupees has been paid-up and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Poll to be taken if demanded.

89. If a poll is demanded as aforesaid, the same shall be taken in such manner and at such time and place in Mumbai and either by open voting or by ballot as the Chairman of the meeting shall direct; and either at once or after an interval or adjournment or otherwise but not later than forty-eight hours from the time when the demand was made. The demand of the poll may be withdrawn. A poll demanded on a question of adjournment shall be taken forthwith.

Scrutineers at poll.

90. (1) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.

(2) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancy in the office of scrutineer arising from such removal or from any other cause.

(3) Of the two scrutineers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

Manner of taking poll and result thereof.

91. (1) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(2) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Business may proceed notwithstanding demand of poll.

92. The demand of a poll shall not prevent continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

XIII. VOTES OF SHAREHOLDERS

Restriction on exercise of voting right of members who have not paid calls etc.

93. No member shall exercise any voting right in respect of any shares registered in his name on which any calls have not been paid, or in regard to which the Company has exercised any right of lien.

Number of votes to which members entitled.

94. (1) Subject to the provisions of the Act and these Articles every member holding equity shares and entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act) shall have the right to speak and upon a show of hands shall have one vote.

(2) Subject to the provision of the Act and these Articles upon a poll every member entitled to vote and present in person (including a body corporate present as aforesaid) or by proxy shall have one vote in respect of every equity share held by him, provided that the holders of preference shares shall have no right to be present or to vote either in person or by proxy at any general meeting by virtue or in respect of their holdings of preference shares, unless a resolution is proposed affecting the rights or privileges of the holders of

preference shares. Holders of preference shares shall also have such other rights of voting as are contained in Section 87 of the Act. Any resolution for winding up the Company or for the repayment or reduction of its shares capital shall be deemed directly to affect the rights attached to preference shares within the meaning of this article. When a corporation being a member is present by a representative appointed under Section 187 of the Act, who is not a member, such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.

95. If any shareholder be a lunatic, or *non-compos mentis*, the vote in respect of his share, or shares shall be by his committee or other legal guardian and if any shareholder be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.

How members
non-compos mentis
or minors may vote.

96. Where there are joint registered holders of any shares any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders personally present and a proxy or an attorney appointed by any other joint holders be present at any meeting personally or by proxy, one of the said persons so present whose name stands first on the register in respect of such share alone be entitled to vote in respect thereof. Provided always that as between a joint holder personally present and a proxy or attorney appointed by any other joint holder the vote of the joint holder present in person shall be preferred. Several executors or administrators of a deceased member in whose name any share stands, shall for the purpose of this article be deemed joint holders thereof.

Joint holders.

97. The instrument appointing a proxy shall:

Instrument of proxy

(a) be in writing; and

(b) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or any attorney duly authorised by it.

98. the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power of authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument propose to vote, and in default the instrument of proxy shall not be treated as valid.

Deposit of instrument
of Proxy and Power
of Attorney.

99. If any such instrument of appointment be confined to the object of appointing an attorney or proxy, or substitute, it shall remain permanently or for such time as the Board may determine, in the custody of the Company, if embracing other objects, a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

Custody of the
instrument.

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

When vote by Proxy
valid though authority
revoked.

Form of Proxy.

101. (a) Every instrument for proxy for meeting shall be in any of the following forms or shall as nearly as circumstances will admit be in any of the forms and to the effect following :-

I

GENERAL FORM

The Victoria Mills Ltd.,
Bharat House, 104, Bombay Samachar Marg,
Fort,
Mumbai.

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

Signed this day of 19.....

II

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

The Victoria Mills Ltd.,
Bharat House, 104, Bombay Samachar Marg,
Fort,
Mumbai.

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

Signed this day of 19..... *

(b) A proxy shall not be entitled to vote except on a poll.

Time for objections
to vote.

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

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

103. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered, at such poll.

XIV. DIRECTORS

104. Unless otherwise determined by a General Meeting, of the Company the number of Directors shall not be less than three and not more than fifteen.

Number of
Directors.

105. The Managing Agent shall be entitled to appoint two ex-officio directors of the Company so long as the total number of directors of the Company shall exceed three, one director so long as the total number of directors shall not exceed three. The director or directors for the time being appointed under this clause shall be entitled to hold office only until requested to retire by the Managing Agent, and accordingly he/they shall not be bound to retire by rotation or be subject to the provisions of the Articles as to retirement by rotation. And when any director appointed by the Managing Agent as an ex-officio Director of the Company vacates the office for any reason whatsoever, the Managing Agent shall have the right to appoint another person as ex-officio Director of the Company in his place. The Managing Agent may at any time remove any Director appointed by them and appoint another Director in his place or in place of the Director so appointed who resigns or otherwise vacates his office. None of the provisions relating to retirement or qualification of directors shall apply to such directors who shall be Ex-officio Directors.

Appointment of
Ex-officio Directors.

106. (1) The Board may subject to the provisions of Section 261 of the Act, appoint an alternate director to act for a director (hereinafter in this article called the "Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held.

Alternate
Director.

(2) An alternate director appointed under clause (1) shall not hold office as such for a period longer than that permissible to the original director in whose place he has been appointed and shall vacate office if and when the original director returns to the State in which meetings of the Board are ordinarily held.

(3) If the term of office of the original director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring directors in default of another appointment shall apply to the original and not to the alternate director.

107. The qualification of a Director shall be the holding of equity shares in the Company of the nominal value of Rupees Five Thousand.

Qualification of
a Director.

108. Article be deleted.

Filing of declaration of
share qualification by a
Director.

109. Subject to the provisions of Section 198, 309 and 310 of the Act, the remuneration payable to the Directors of the Company may be as hereinafter provided. The remuneration only by way of a fee for each meeting of the Board or a Committee thereof attended by any Director shall be such sum as may be determined by the Board but not exceeding the amount as may be prescribed from time to time by the Central Government. Provided that if the remuneration so determined exceeds the amount prescribed by the Central Government, then the approval of the Central Government shall be obtained. The Directors shall be paid such further remuneration by way of a monthly payment or at a specified percentage of the net profits or partly by one way and partly by another as the Company in General Meeting shall from time to time determine; and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination shall be divided among the Directors equally.

Remuneration of
Director.

110. If any director, being willing, shall be called upon to perform extra services, or to make any special exertions in going or residing abroad, or otherwise for any purposes of the Company, the Board may arrange with such

Remuneration for
extra service.

Director for such special remuneration for such services, either by a fixed sum or by percentage of profits, or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided, and the Directors shall be entitled to be repaid any travelling or other expenses incurred in connection with the business of the Company.

Travelling and hotel expenses to Directors attending the meeting

111. In addition to the remuneration payable to Directors under the preceding Articles, they may be re-imbursed all travelling, hotel and other expenses incurred by them in connection with the business of the Company, including, attendance at Board Meeting or Committee thereof.

Directors not accountable for remuneration received from other company.

112. A Director of the Company may become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.

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

113. The Board on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any salaried office or place of profit in the Company or in the event of his death to his widow or dependents and may make contributions to any fund for provision of any such gratuity, pension or allowance.

Board may fill casual vacancy, duration of office of directors in casual vacancy.

114. The Board shall have power subject to the provisions of Section 261 of the Act, at any time and from time to time, to appoint any person as a director to fill a casual vacancy and a director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

Additional Directors.

115. The Board shall have power subject to the provisions of Section 261 of the Act, at any time and from time to time, to appoint any person as an additional Director.

Provided that an additional Director shall hold office only upto the date of the next Annual General Meeting of the Company;

Provided further that the number of directors and additional directors together shall not exceed the maximum strength fixed for the Board by the Article 104.

One-third directors to retire annually; how determined.

116. At an annual general meeting of the company in every year one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office by rotation, and the retiring directors shall be those who are longest in office.

Retiring directors eligible for reappointment.

117. Retiring Directors shall be eligible for reappointment.

Decision of question as to retirement.

118. If in any case any question shall arise as to which of the directors who became directors on the same day shall retire, the same shall, in default of and subject to any agreement among themselves be determined by the Board by lot.

Directors may act notwithstanding vacancy.

119. The continuing directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the articles for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

120 The Company at any general meeting at which directors retire in the manner abovementioned shall fill up the vacated offices, by appointing a like number of persons to be directors and may fill up any other vacancies.

Appointment of successors.

121. (a) If the place of the retiring director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.

Retiring Directors to remain in office till successors appointed and automatic reappointment of retiring directors.

(b) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been reappointed at the adjourned meeting, unless ---

- (i) at the meeting or at the previous meeting a resolution for the reappointment of such director has been put to the meeting and lost;
- (ii) the retiring director has by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary is required for his appointment or reappointment in virtue of any provisions of this Act; or
- (v) the provision to sub-section (2) of Section 263 is applicable to the clause.

122. A director may at any time give notice in writing of his wish to resign by delivering such notice to the Secretary or leaving the same at the registered office of the Company; and thereupon his office shall be vacated.

Resignation of directors.

123. A person shall not be capable of being appointed a director of the Company, if ---

Disqualification of directors.

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and finding is in force;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudicated as an insolvent and his application is pending;
- (d) he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
- (e) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call; or
- (f) an order disqualifying him for appointment as director has been passed by a Court in pursuance of Section 203 of the Act and is in force, unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

Explanation :

A person who has incurred disqualification described in clauses (d) or (e), may be appointed as a director, if the said disqualification is removed by the Central Government by notification in the Official Gazette .

When office of
director shall
become vacant .

124. The office of a director shall become vacant if ---

- (a) he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act, or at any time thereafter ceases to hold, the share qualification, required of him under Article 107 .
- (b) he is found to be of unsound mind by a Court of competent jurisdiction ;
- (c) he applies to be adjudicated an insolvent ;
- (d) he is adjudged an insolvent ;
- (e) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months ;
- (f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure ;
- (g) he absents himself from three consecutive meeting of the Board or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board ;
- (h) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner or any private Company of which he is a director, accepts a loan, or any guarantee or security for loan from the Company in contravention of Section 295 of the Act ;
- (i) he acts in contravention of Section 299 of the Act ;
- (j) he becomes disqualified by an order of Court under Section 203 of the Act ;
- (k) he is removed in pursuance of Section 284 of the Act ; or
- (l) having been appointed a director by virtue of his holding any office or other employment in the Company, or as a nominee of the Managing Agent of the Company, he ceases to hold such office or other employment in the Company or, as the case may be, the Managing Agency comes to an end .

Directors may
contract with
Company .

125. Subject to the provisions of sections 283, 297, 299, 300 and 314 of the Act, no Director of the Company or the firm of which he is a partner or any partner of such firm or the private Company of which he is a member, or a director, shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker or by reason of his being a director or member

of the Managing Agent of the Company or by reason of his lending money to the Company, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any director shall be in any way interested, be avoided, nor shall any director, so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such director holding that office, or of the fiduciary relation thereby established, but it is declared that the nature of his concern or interest must be disclosed by him at the meeting of the Board at which the contract or arrangement is determined, if his interest then exists, or in any other case at the first meeting of the Board after the acquisition of his interest, and that no director shall, as a director take part in the discussion or vote in respect of any contract or arrangement in which he is so interested, and if he does so vote, his vote shall not be counted. Provided that no such disclosure of interest by directors will be necessary in case of any contract or arrangement entered into or to be entered into by the Company with any other Company where any of the directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in that other company. Provided further that the directors, or any of them, may take part in the discussion of, or vote on ---

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

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

126. (1) The Company may by ordinary resolution remove a Director (not being a director appointed by the Central Government in pursuance of Section 408), before the expiry of his period of office.

Removal of
Directors.

(2) Special notice shall be required of any resolution to remove a director under this article or to appoint somebody instead of a director so removed at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a director under this Section, the Company shall forthwith send a copy thereof to the director concerned, and the director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to the members of the Company, the Company shall, unless the representation are received by it too late for it to do so --

- (a) in any notice of the resolution given to the members of the Company, state the facts of the representations having been made; and
- (b) send a copy of the representations to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting;

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

(5) A vacancy created by the removal of a Director by this article may if he had been appointed by the Company in General Meeting or by the Board in pursuance of Articles 114 or 115 be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment was given under clause (2);

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

(6) If the vacancy is not filled under clause (5), it may be filled as a casual vacancy in accordance with the provisions of Article 114 so far as they may be applicable and all the provisions of that article shall apply accordingly. Provided that the director who was removed from office shall not be reappointed as a director by the Board.

Where candidate for office of directors must give notice.

127. (1) a person who is not a retiring director shall, subject to the provisions of the Act, be eligible for appointment to the office of director at any general meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of director or the intention of such member to propose him as a candidate for that office, as the case may be along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a director.

(2) The Company shall inform its members of the candidature of a person for the office of director or the intention of a member to propose such person as candidate for that office, by serving individual notices on the members not less than seven days before the meeting.

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

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

Register of
Directors

XV. POWERS OF THE BOARD

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

General Powers
of the Board.

Provided that the board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other Law or by these presents or otherwise, to be exercised or done by the Company in General Meeting;

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or in any other Law or in the Memorandum or Articles of the Company, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting.

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

130. Subject to and in accordance with the restrictions on power of the Board contained in Section 293 of the Act and without prejudice to the general powers conferred by Article 129 and other powers conferred by these presents, it is hereby expressly declared that the Board shall have the following powers (which may be exercised by the Managing Agent or Managing Directors or whole time Directors wherever any of the powers are entrusted to them either by those presents or otherwise) that is to say, power :-

Express powers
of the Board.

- (a) To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint Stock Company carrying on the business of spinning and weaving, dyeing, bleaching, finishing, printing etc. of any fibrous substances or any other business which this Company is authorised to carry on in any part of India, also to promote, aid, foster, subsidise, or acquire interests in any industry or undertaking in any country or countries whatsoever;
- (b) To purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any other undertaking or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent, and under and subject to such terms and conditions as the Board may think fit; and in any such purchase, lease or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory;
- (c) To erect and construct, on the said land or lands, buildings, houses, warehouses, sheds, or tanks necessary and adopted to the working of a spinning and weaving mills (including bleaching, dyeing, finishing, printing etc. of yarn and / or cloth) and to alter, extend and improve the same; to provide machinery,

engines and apparatus requisite for the construction of such a mill, and the due and efficient working thereof;

- (d) To let or lease the property of the Company, in part or in whole, for such rent, and subject to such conditions as may be thought advisable;
- (e) To sell such portions of the land and buildings of the Company as may not be required for the purposes of the Company;
- (f) To mortgage the whole or any portion of the property of the Company for the purposes of the Company;
- (g) To sell all or any portion of the machinery or stores belonging to the Company; and to buy raw cotton and other materials and to spin and weave the same and sell cotton, yarn, cloth and other fabrics so manufactured either on the spot, or at any other place in Mumbai or elsewhere in India, or to ship or otherwise transmit and forward the same for sale to any port, place or country as may be thought advisable;
- (h) At its discretion to pay for any property rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares (subject to the provisions of Section 81 of the Act) bonds, debentures or other securities of the Company, and any such shares, may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (i) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital and for the time being or in such other manner as it may think fit;
- (j) To accept from any member so far as may be permissible by Law, a surrender of his shares or stock or any part thereof, on such terms and conditions as shall be agreed;
- (k) To have an official seal for use abroad;
- (l) To keep a foreign register in accordance with the provisions of the Companies Act;
- (m) To appoint and at its discretion remove or suspend, such mill managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit, and to determine their powers and duties and fix their salaries, emoluments or remuneration and to require security in such instances and to such amounts as it may think fit;
- (n) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants;

(u) Subject to the provisions of Section 49 of the Act ---

- (i) To get the shares in other body corporate to an amount not exceeding the nominal value of the qualification shares which are required to be held by a director thereof, registered or held by the Company jointly in the names of itself and of a person or nominee or in the name of a person or nominee, where the Company has a right to appoint any person or persons or where any nominee or nominees of the Company has or have been appointed, as a director or directors of any such other body corporate ;
- (ii) To deposit with a Bank being the bankers of the Company, any shares or securities for the collection of any dividend or interest payable thereon ;
- (iii) To deposit with or transfer to, any person any shares or securities, by way of security for the repayment of any loan advanced to the Company or the performance of any obligation undertaken by it ;
- (p) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or other wise concerning the affairs of the Company, and also subject to the provisions of Sections 293 and 295 of the Act to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company, to arbitration and observe and perform any awards made thereon ;
- (q) To act on behalf of the Company in all matters relating to bankrupts and insolvents ;
- (r) To make and give receipts, releases and other discharges for monies payable to the Company and for the claims and demands of the Company ;
- (s) Subject to the provisions of Section 77, 292, 295, 369, 370 and 372 of the Act, to invest and deal with any monies of the Company not immediately required for the purposes thereof upon such security or without security and in such manner as it may think fit and from time to time to vary such investments ;
- (t) To subscribe for, purchase, accept, take, hold, or otherwise acquire shares of any company, society, or undertaking which does among other things the business of spinning, weaving or manufacturing or dealing in cotton or other fibrous substances and the preparation, dyeing, printing, or colouring or any of the said substances or the object of which shall either wholly or in part be similar to those of this Company or such as may be likely to promote or advance the interests of this Company ;
- (u) Subject to and in accordance with the provisions of Section 49 of the Act, to execute in the name and on behalf of the Company in favour of any director or other person who may incur, or be about to incur, any personal liability whether as principal or surety for the benefit of the Company, such mortgages, of the Company's property (present and future) as they think fit ; any such mortgage may contain a power of sale and such other powers, provisions, covenants, and agreements as shall be agreed upon ;

- (v) To give any officer, or other person employed by the Company a commission on the profits of any particular business or transaction, or a share in general profits of the Company; and such commission or share of profits shall be treated as part of the working expenses of the Company;
- (w) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, or dependents, that may appear to the Board just or proper, whether such employee, his widow, children or dependents have or have not a legal claim upon the Company;
- (x) To provide for the welfare of employees (including directors) or ex-employees of the Company or its predecessors in business and the wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses or dwellings or quarters or by grants of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance, and other assistance as the Board may think fit;
- (y) Subject to the provisions of Sections 293(1)(c), and 293A and 293B of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other institutions, objects or purposes, or for any exhibition;
- (z) Before recommending any dividend, to set aside such portion of the profits of the Company as it may think fit, to form a fund to provide for such pensions, gratuities or compensation; or to create any Provident or benefit fund in such manner as the Board may deem fit;
- (aa) Before recommending any dividend, to set aside, out of the profits of the Company such sums as it may think proper, for depreciation or to a depreciation fund, development fund, rehabilitation fund, taxation fund, insurance fund, general reserve fund or sinking fund or any special fund to meet contingencies, or to repay redeemable preference shares, debentures or debenture stock, or for special dividends, or for equalising dividends, or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes as the Board may, in its absolute discretion, think conducive to the interests of the Company with power from time to time to transfer money standing to the credit of one fund or any part thereof to the credit of any other fund; and to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of the Company), as it may think fit and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board, in its absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board applies or upon which it expends the same or any part thereof may be matters to which the capital monies

of the Company might rightly be applied or expended; and to divide the general reserve and the reserve fund into such special fund as the Board may think fit and to employ the assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares, debenture or debenture stock, and that without being bound to keep the same separate from the other assets. If the assets constituting any of the above funds are employed in the business of the Company, the Board may pay or allow to the credit of such funds interests at such rates as the Board may think proper but not exceeding nine percent per annum;

- (bb) At any time and from time to time, by power of attorney under the seal of the Company, to appoint any person or persons to be the attorneys of the Company, for such purposes and with such power, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents) and for such period and subject to such conditions as the Board may from time to time think fit;
- (cc) To appoint any two or more Directors as Directors in-charge to carry on the Management of the affairs of the Company pending the appointment or reappointment of Managing Agent or the Managing Directors or Whole Time Directors as the case may be and to pay them such remuneration as the Board thinks fit and within the limits permissible under the Act;
- (dd) For or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds, and things in the name and on behalf of the Company as it may consider expedient;
- (ee) From time to time to delegate all or any of these powers and authorities to the Managing Agent or Managing Directors or Whole Time Directors as the case may be of the Company with power to them to sub-delegate and to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants;
- (ff) To enter into agreements with the Managing Agent, Managing Director or Directors or Whole Time Director or Directors or Managers with such modification as may be deemed expedient, either before or after the execution and to carry the same into effect, and to affix the seal of the Company to the same;
- (gg) To carry on the Management of the affairs of the Company in the absence of appointment or reappointment of Managing Agent or Managing Directors or Whole Time Directors or in the event of their resignation or removal or suspension;
- (hh) And generally to do all such other acts and things as are necessary, incidental or conducive to the attainment of all or any of the objects of the Company and so sanction and authorise all such matters and things as may be necessary to be done, authorised or sanctioned in or about the execution of all or any of the powers conferred upon the Board.

Appointment of
Manager.

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

(2) A Director may be appointed as Manager.

A thing required
to be done by both
a Director and Manager
or Secretary not
regarded as done if
both done by the same
person acting both
as a Director and
Manager or Secretary.

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

XVI. BORROWING POWERS OF THE BOARD

Condition on
which money
may be borrowed.

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

Securities may be
assignable free
from equities.

134. Debentures, debenture stock or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount
and with special
privileges.

135. 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, attending and voting at General Meeting of the Company, appointment of Directors and otherwise provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the company in General Meeting.

Mortgage of uncalled
capital.

136. Any uncalled capital of the Company may be included in or charged by any mortgage or any other security by the Board.

Execution of mortgage
etc. for indemnity.

137. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them or person may suffer by becoming or being sureties or surety for the Company.

XVII. PROCEEDINGS OF BOARD OR COMMITTEE OF DIRECTORS

Meetings of Board,
Board to meet once in
every three months;
Quorum for meeting.

138. (1) The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, but so that the provisions of Section 285 of the Act regarding the frequency of the Meetings are complied with.

(2) The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher;

Provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such time.

Explanation : In this article :-

(a) "total strength" means the total strength of the Board after deducting therefrom the number of the directors, if any, whose places may be vacant at the time.

(b) "interested director" means any director whose presence cannot by reason of Section 300 of the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

139. If at the expiration of fifteen minutes from the time appointed for the Board's meeting, a quorum is not present, no business shall be transacted except that of election of a Chairman and the meeting shall stand adjourned, unless the Chairman otherwise directs, to the same day in the next week, at the same time and place.

If quorum not present,
Board's meeting
to be adjourned.

140. (1) The Board may elect a Chairman for its meetings and determine the period for which he is to hold office.

Chairman of the
Meeting of the Board.

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

141. A Director may, at any time, and the Managing Agent on their own, or upon the request of Directors in writing, shall convene a meeting of the Directors. Notice of every meeting of the Board shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director.

Directors may
summon meeting.

142. Any question which shall arise at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a casting vote in addition to his own vote as a Director.

Questions at Board
Meeting how decided.

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

Power of Board's
meetings.

144. The Board may delegate any of its powers to a Committee consisting of such member or members of its body as it thinks fit and it may from time to time revoke and discharge any such committee, either wholly or in part and either as to persons or purposes; but every Committee so formed shall in exercise of the powers delegated to it, conform to all such regulations as may from time to time be prescribed by the Board; all acts done by any such Committee in conformity with such regulations, and in fulfilment of the purposes of its appointment, but not otherwise, shall have like force and effect as if done by the Board.

Board may appoint
Committee.

145. All acts done by any meeting of the Board or of a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was defect in the appointment of such Director, or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

Acts of Directors or
Committees valid
notwithstanding
informal appointments.

146. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of Board so far as the same are applicable thereto, and are not superseded by the express terms of the appointment of such Committee or any regulations imposed by the Board aforesaid.

Regulations of
proceedings of
Committees.

Passing of
Resolutions by
circulation.

147. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members, at their usual address in India, and has been approved by such of the Directors as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

Minutes of
proceedings of the
Company and the
Directors, to be
recorded.

148. (1) The Company shall cause minutes of all proceedings of every general meeting and of all proceeding of every meeting of its Board or of every Committee of the Board, to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed ---

- (a) in the case of minutes of proceedings of a meeting of the Board or of a Committee thereof, by the chairman of the said meeting or the chairman of the next succeeding meeting;
- (b) in the case of minutes of proceedings of a general meeting by the chairman of the same meeting within the aforesaid period of fourteen days or in the event of the death or inability of that chairman within that period by a Director duly authorised by the Board for the purpose.

(3) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat.

(4) All appointments of officers made at any of the meeting aforesaid shall be included in the minutes of the meeting.

(5) In the case of a meeting of the Board or of a Committee of the Board, the minutes shall also contain ---

- (a) the name of the Directors present at the meeting; and
- (b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring in, the resolution.

(6) Nothing contained in this Article shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion to the chairman of the meeting ---

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

Explanation :--

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Sub-Article.

Minutes of meetings kept in accordance with the provisions of Section 193 of the Act and Article 148 above, shall be evidence of the proceeding recorded therein.

Minutes to be evidence

Where minutes of the proceeding of any general meeting of the Company or any meeting of its Board or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act Article 148 above then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place, and in particular, all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.

XVIII MANAGING DIRECTORS & WHOLE TIME DIRECTORS

150. (a) Subject to the provisions of Sections 197A, 267, 268, 269, 309, 310, 311, 314, 316, and 317 of the Act, the company in general meeting or the Board of Directors may from time to time appoint one or more of their body to be a managing director or managing directors of the Company for a term not exceeding five years at a time for which he or they is or are to hold such Office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

Board may appoint Managing Directors.

(b) The Company in general meeting may, subject to the provisions of the Act from time to time, appoint a Managing director or Managing directors of the Company and may exercise all the powers conferred by the Articles on the Board in regard to the appointment and remuneration of Managing directors.

#151. A Managing director shall while he continues to hold that office be subject to retirement by rotation and he shall be taken into account in determining the number of directors to retire by rotation but he shall, subject to the term of any contract between him and Company, be subject to the same provisions as to resignation and removal as the other directors of the Company.

Managing Director liable to retire by rotation

152. The remuneration of a Managing director shall from time to time be fixed by the Board and may be by way of salary or commission or participation in profit or by any or all of these modes or in other form and shall be subject to the limitation prescribed in sections 198 and 309 of the Act.

Remuneration of Managing Director

153. Subject to the provisions of the Act and to the restrictions contained in Article 155 the Board may from time to time entrust to and confer upon a Managing director for the time being such of the powers exercisable under these articles by the Board as it may think fit, and may confer such power 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 expedient 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, alter or vary all or any of such powers. Unless and until otherwise determined a managing director may exercise all the powers exercisable by the Board, save such powers as by the Act or by these articles shall be exercisable by the Board itself.

Director may confer power to Managing Director

154. Subject to the provisions contained in sections 318 and 319 of the Act, the Company shall make payment to a Managing Director, by way of compensation for loss of office or a compensation for retirement from such office or in connection with such loss or retirement from office, except in cases specified in Section 318 (3) and such payment shall be subject to the limits specified in Section 318 (4) of the Act.

Compensation for loss of office

#Altered vide Special Resolution passed in the 109th Annual General Meeting ("AGM") dated 26th August, 2022



Managing director
not to exercise
certain powers

155. the managing director or managing directors shall not exercise the powers to :-

- (a) make calls on share-holders in respect of moneys unpaid on the shares in the Company ;
- (b) issue debentures ; and
- (c) except as may be delegated by the Board under Section 292 of the Act to invest the funds of the Company, or make loans and borrow moneys .

Certain persons
not to be appointed
managing director .

156. The Company shall not appoint or employ or continue employment of any person as its managing or whole time director who :-

- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent ;
- (b) suspends, or has at any time suspended, payment to his creditors, or makes, or has at any time made, composition with them ; or
- (c) is, or has at any time been, convicted by a Court of an offence involving moral turpitude .

156 A. (a) Subject to the provisions of Sections 197A, 267, 268, 309, 310, 311, 314, 316 and 317 and other applicable provisions of the Act, the Board of Directors may from time to time appoint one or more of their body to be a Whole-time Directors of the Company for a term not exceeding five years at a time for which he or they holds/hold such office and from time to time remove or dismiss such Whole-time Director or Directors from office and appoint another or other directors in his or their place .

(b) The Company in General Meeting may subject to the aforesaid provisions of the Act from time to time appoint a Whole-time Director or Whole-time Directors of the Company and exercise all the powers under the Articles of the Company in regard to the appointment and remuneration of Whole-time Directors .

(c) All the provisions contained in Articles 151 to 155 (both inclusive) applicable to the Managing Director shall mutatis mutandis apply to the Whole-time Director or Whole-time Directors .

XIX. INVESTMENT IN OTHER COMPANIES

157 to 160 Articles 157, 158, 159, & 160 be deleted .

Restriction on
investments .

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

162. Article 162 be deleted .

XX. SEAL

The seal, its
custody and use .

163. The Board shall have power to provide a seal for the purpose of the Company and from time to time to destroy the same, and substitute a new seal in lieu thereof, and shall provide for the safe custody of the seal for the time being and it shall not be used except by the authority of the Board or a Committee of the directors and in the presence of at least two of them, who

shall sign every instrument or deed to which the seal is affixed and every such instrument or deed shall be countersigned by the managing agent or such other person as may be appointed by the Board.

XXI. ACCOUNTS

164. The company shall comply with the provisions of Section 209 relating to maintenance of books of accounts and inspection and preservation thereof.

Accounts

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

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides, the Company shall within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

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

165. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of Company, or any of them shall be open to the inspection of members; and no member not being a director shall have any right of inspection of any account or book or document of the Company except as conferred by the Act or authorised by the Board or by the Company in General Meeting.

Inspection of Books.

166. At each Annual General Meeting, the Board shall lay before the Company a Profit & Loss Account, a Balance Sheet and the Board's Report and such Profit & Loss Account and the Balance Sheets and Board's Report shall comply with the provisions of Sections 210, 211, 212, 215, 216, and 217 of the Act.

Statement of accounts and report to be furnished to General Meeting; balance sheet to be served on every member.

Every such account and balance sheet shall be accompanied by a report of the Board and such report shall comply with the requirements of Section 217 of the Act so far as may be applicable as to the state of the Company's affairs. The report shall mention the amounts, if any, which are recommended to be paid out of the profits by way of dividend to the members and the amounts, if any, which have been transferred or are proposed to be carried to any reserves in the balance sheets, and as to the material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the balance sheet relates, and also as to the conservation of energy, technology, absorption, foreign exchange earnings and outgo in such manner as may from time to time be prescribed according to the provisions of the Act in that behalf and the account and the Balance Sheet shall be signed by its Manager or Secretary and by not less than two Directors one of whom shall be a Managing Director where there is one and the report may be signed by the Chairman of the Board on behalf of the Directors, if authorised, in that behalf by the Board.

The Company shall send a copy of the Balance Sheet and Profit & Loss account, duly audited together with copy of the auditor's report and other documents required by law to be annexed or attached thereto or a statement containing salient features of such documents in the prescribed form to the registered address of every member of the Company at least 21 days before the

meeting at which it is to be laid before the members of the Company and shall comply with the provisions of the Act made in this behalf.

The Board's report shall also include a statement containing information regarding remuneration and other particulars of employees, as required under section 217 (2A) of the Act, read with the Companies (particulars of employees) Rules, 1975.

XXII. AUDIT

Accounts to be audited.

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

Appointment qualification, remuneration and powers and duties of Auditors.

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

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

169. Every account of the Company when audited and approved by a General Meeting shall be conclusive, but if any error is discovered thereafter the same shall be corrected in the next account.

XXIII. DIVIDENDS

Division of profits.

170. The profits of the company which it shall from time to time be determined to divide in respect of any year or other period shall be applied first in paying the fixed preferential dividend on the capital paid up on the Preference Shares and secondly in paying a dividend for such year or other period on the capital paid up on the Equity Shares.

Declaration of dividend.

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

Power of Board to limit dividend.

172. No larger dividend shall be payable than is recommended by the Board, but the Company in general meeting may declare a smaller dividend. No dividend shall be declared or paid except out of the profits (including capital profits) of the Company, or, any other undistributed profits, arrived at in the manner laid down in Section 205 of the Act and no dividend shall carry interest as against the Company. The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

Interim Dividend.

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

Capital paid up in advance at interest not to earn dividend.

174. When 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.

Dividends in proportion to amount paid up.

175. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

176. The Board may retain the dividends payable upon shares in respect of which any person is, under article 62 hereof entitled to become a member or under that article, is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

Retention of dividend until completion of transfer under article 62.

177. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any shareholder, all sums of money so due from him to the Company.

No member to receive interest or dividend whilst indebted to the Company and Company's right to reimbursement thereof.

178. Where a dividend has been declared by the Company, but has not been paid or claimed within 42 days from the date of declaration to / by 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 42 days transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 42 days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "unpaid Dividend Account of The Victoria Mills Limited" and all other provisions of Section 205A of the Act in respect of any such unpaid dividend or any part thereof shall be applicable, observed performed and complied with.

Notice of dividend and forfeiture of unclaimed dividend.

Explanation:

In this article the expression "Dividend which remain unpaid" means any dividend, the warrant in respect thereof has not been encashed or which has otherwise not been paid or claimed.

178A. Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall notwithstanding anything contained in any other provision of the Act.

(a) transfer the dividend in relation to such shares to the special account referred to in article 178 unless the Company is authorised by the registered holder of such share in writing to pay such dividend to the transferees specified in such instrument of transfer; and

(b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of section 81 and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of section 205.

179. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

No right to dividend unless transfer registered.

180. Unless otherwise directed, any dividend may be paid up by cheque or warrant sent through the post to the registered address of the member or person entitled, or in case of joint holders to any of them named in the register in respect of the joint holdings. The Company shall not be liable or responsible for any cheque or warrant lost in transit or for any dividend lost to the member or person notified thereto, by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The managing agent or Board may, if they think fit, call upon the shareholder, when applying for dividends or bonus, to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

Dividend how remitted.

181. Any General Meeting may upon the recommendations of the Board resolve that any monies, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund or in the hands of the Company and available for dividend or representing premiums received on

Capitalisation of reserves.

the issue of shares and standing to the credit of the share premium account or the capital redemption reserve fund be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend or to their nominee or nominees if so resolved by the General Meeting and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued shares or debentures of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distributions of payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

Fractional certificates
and other matters
relating to
capitalisation of
reserves.

182. (1) For the purpose of giving effect to any resolution in pursuance of article 181 the Board shall have full powers --

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

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

Sale of fractional
shares.

183. If, and whenever as the result of issue of new or further shares or any consolidation or subdivision of shares, any shares, are held by member in fractions, the Directors shall subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the directors may authorise any person to transfer the shares sold, to the purchaser thereof comprised in any such transfer, and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Dividend and call
together, and set
off allowed.

184. 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.

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XXIV. REGISTERS

185. The company shall keep and maintain such of the following registers, as may be required for its purposes :-

Registers that may be maintained by the Company.

- (1) Register of investments made by the Company but not held in its own name, as required by Section 49 (7) of the Act and shall keep it open for inspection of any member or debenture holder of the Company without charge.
- (2) Register of charges as required by Section 143 of the Act and shall keep it open for inspection of any creditor or member of the Company without fee and of any person on payment of Re. 1/ for each inspection.
- (3) (a) Register and index of members under Sections 150 and 151 of the Act as per the form set out in the Companies (Issue of Share Certificates) Rules 1960 and any modification thereto and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of Re. 1/- for each inspection.
- (b) The Company may, if the Board of Directors so decide, keep in any State of the Union of India or in any other country out of India a branch register of the members or debenture holders of the Company resident in the State or Country. Such register of hereafter referred to as the Foreign Register. The Register of members maintained by the Company under sub-clause (a) mentioned above is hereafter referred to as the Principal Register.
- (c) In the event of the Company maintaining a foreign register the following provisions shall apply :-
 - (1) The Company shall within one month from the date of opening of a foreign register file with the Registrar notice of situation of the office where such foreign register is kept and the Company shall within the like period of one month file with the Registrar notice of any change in the situation of such office or of its discontinuance;
 - (2) Such a foreign register shall be deemed to be part of the Company's register of members or debenture holders;
 - (3) Such a foreign register shall be open to inspection and may be closed and extracts may be taken therefrom and copies thereof may be required in the same manner, *mutatis mutandis*, as is applicable to the principal register under these articles except that the advertisement before closing such foreign register shall be inserted in some newspaper circulating in the district wherein the foreign register is kept;
 - (4) Unless otherwise notified by the Central Government, the decision of any competent Court of the State or country in which the foreign register is kept shall have the same force and effect as if it was the decision of the Court having jurisdiction regarding the Company;
 - (5) the Company shall :-
 - (i) enter as soon as possible, in the principal register maintained at its registered office a copy of every entry made

in the foreign register ;

- (ii) keep at its registered office a duplicate of every foreign register duly entered in from time to time ;
- (6) Every duplicate register maintained under sub-clause (c) (5) (ii) shall be deemed to be a part of the principal register ;
- (7) Except as provided in sub-clause (c) (2) mentioned above, the shares or debentures registered in any foreign register shall be distinguished from the shares or debentures registered in the principal register and in every other foreign register and no transaction with respect to any shares or debentures registered in a foreign register shall, during the continuance of that registration be registered in any other register ;
- (8) The Company may discontinue the keeping of any foreign register and thereupon all entries in that register shall be transferred to some other foreign register kept by the Company in another State or country near to the State or Country of which the foreign register is being discontinued or in the principal register .
- (4) Register of renewed and duplicate share certificate as required by the Companies (Issue of Share certificate) Rules 1960 and any modification thereto .
- (5) Register and index of debenture holders under Section 152 of the Act and keep it open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of Re. 1/- for each inspection .
- (6) Register of proxies received from share holders authorising other persons to attend and vote at meeting .
- (7) Register of contracts in which directors are interested, as required by Section 301 and shall keep it open for inspection of any member without fee .
- (8) Register of directors, managing directors, managing agents, manager, and secretary, as required by section 303 of the Act and shall keep it open for inspection of any member of the Company without charge and of any other person on payment of a fee of Re. 1/- for each inspection .
- (9) Register as to the holding by directors, managing agent and manager of shares and debentures in the Company as required by Section 307 of the Act and shall keep it open for inspection of any member or debenture holder of the Company on any working day during the period beginning fourteen days before the date of the Company's annual general meeting and ending three days after the date of its conclusion .
- (10) Register as to the appointment of managing agent or its associates as selling agents for sales of goods produced by the Company and effected from any place outside India, as required, by the Section 356 (5) of the Act .

- (11) Register of business, procured for the Company by the managing agent or associates thereof from any place out side India, as required by Section 357 of the Act.
- (12) Register of special resolutions for appointment of managing agent or associates as buying agents for the Company as required by Section 358 of the Act.
- (13) Register of contracts made between the Company and other Concerns of which the managing agent or associates are buying or selling agents as required by Section 359 of the Act.
- (14) Register of contracts made between the managing agent or an associate of the managing agent and the Company for the sale or purchase of goods or supply or rendering of services, etc. as required by Section 360 of the Act.
- (15) Register of loans etc. to companies under the same management, as required by Section 370 (1) (C) of the Act.
- (16) Register of investments made by the Company in shares and debentures of other body corporate in the same group or not as required by Section 372 (6) of the Act.

The registers mentioned in items (3), (10), (11), (12), (13), (14), (15) and (16) shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the manner, to the same extent and on payment of the same fees as in the case of register of members of the Company, as provided for in item (3). Copies of entries in the above registers shall be furnished to the person entitled to the same on payment of thirty seven paise for every hundreded words or fractional part thereof required to be copied. The company shall give inspection of the above registers to the persons entitled to the same on any working day between the hours of 2 p.m. and 5 p.m. except on Saturdays when the said hours shall be 12 Noon to 2 P.M. (S.T.)

XXV. NOTICES

186. (1) A notice or document requiring to be served by the Company, may be given by the Company to any member either personally or by sending it by post to him to his registered address or if he has no registered address, in India, to the address, if any, within the India supplied by him to the Company for the giving notices to him.

Service of notice.

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

- (a) in the case of a notice of meeting, at the expiration of forty-eight hours of the letter containing the same is posted;
- (b) in any other case, at the time at which the letter would be delivered in the ordinary course of the post;

Provided that where a member has intimated to the Company in advance that documents should be sent to him under certificate of posting or by Registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member.

(3) If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him,

a notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly given to him on the day on which advertisement appears.

(4) A notice or document requiring to be served, may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the Register in respect of the share.

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

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

(7) Notice of every General Meeting shall be given in the same manner as hereinbefore authorised to--

- (a) every member of the Company except those members who, having no registered address within India, have not supplied to the Company an address within India, for the giving of notices to them;
- (b) every person entitled to a share in consequence of the death or insolvency of a member, as provided by Clause (6) hereof;
- (c) the Auditor of the Company and he shall be entitled to be heard at any General Meeting which he attends, on any part of the business which concerns him as an Auditor; and

No other person shall be entitled to receive notice of General Meeting.

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act and as provided hereinabove the statement of material facts referred to in Section 173 of the Act and Article 75 hereinabove may not be annexed to the notice as required by the said provision but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Service of notice
by shareholders.

187. All notices to be given on the part of shareholders shall be left at or sent by Registered Post to the registered office of the Company.

Notice by
advertisement.

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

Shareholders bound
by notice given to
previous holders.

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

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

Service of notice
notwithstanding death
of shareholder.

191. Any notice to be given by the Company shall be signed by the managing agent or the managing director, if any, or by such other director or officer as the Board may appoint and the signature thereto may be written, printed, lithographed or photostat.

Notice by Company
and Signature thereto.

XXVI. SECRECY CLAUSE AND INDEMNITY OF DIRECTORS

192. No member shall be entitled to visit or inspect the Company's works without the permission of the Board or the managing agent, or managing directors or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret mystery of trade or secret process, which may relate to the conduct of the business of the Company, and which, in the opinion of the Board, it will be inexpedient in the interest of the members of the Company to communicate to the public.

Secrecy clause.

193. (a) Subject to the provisions of Section 201 of the Act the Managing Agent and every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of Directors out of the funds, of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Agent, Director, Officer or employee or in any way in the discharge of his duties.

Directors' and others'
right to indemnity.

(b) Every director, managing director, managing agent, auditor, secretary and other officer for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

194. Subject to the provisions of section 201 of the Act, no director, or other officer of the Company shall be liable for the acts, receipts, neglects or defaults or any other act of conformity, or for any loss or expenses happening to the Company though the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company, or for insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, company, or corporation, with whom any monies, securities, or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

Not responsible for
acts of others.

XXVII. GENERAL

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

Knowledge implied.

Amendment made to Articles of Association wide special resolution passed at an Annual General meeting held on 29th September 2001.

- (i) After Clause 71, insert the following heading and Article as Article 71-A:
71-A Dematerialisation of Securities :
For the purpose of this Article, unless the context otherwise requires:

A (i) Definitions :

Beneficial Owner : 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996;

Bye-Laws : 'Bye-Laws' means Bye-Laws made by a Depository under section 26 of the Depositories Act, 1996;

Depositories Act : 'Depositories Act' means the Depositories Act, 1996 and any Statutory modification or re-enactment thereof for the time being in force.;

Depository : 'Depository' means a Company formed and registered under the Companies Act, 1956 (1 of 1956) ('the Act') and which has been granted a Certificate of Registration under sub-section(1A) of Section 12 of the Securities & Exchange Board of India Act, 1992 (15 of 1992)

Participant : 'Participant' means a person registered as such under Section 12 (1A) of Securities & Exchange Board of India Act, 1992.

Record : 'Record' includes the records maintained in the form of Books or stored in Computer or in such other form as may be determined by the regulations made by SEBI.

Regulations : 'Regulations' means the regulations made by SEBI.

SEBI : 'SEBI' means Securities & Exchange Board of India.

Security : 'Security' means such security as may be specified by SEBI from time to time.

Shareholder or Member : Shareholder or Member means a duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding equity shares and/or Preference Shares of the Company as also one whose name is entered as beneficial owner of the shares in the records of a Depository.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include Corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to them in that Act.

- (ii) The investor may exercise an option to hold the Securities (including shares) with a Depository in Electronic Form and the

Certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matter connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, as amended from time to time or any Statutory modifications thereto or re-enactment thereof.

B) Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with a Depository and to offer its shares debentures and other securities for subscription in a dematerialised form pursuant to Depositories Act, 1996 and the Rules framed thereunder, if any:

C) Options for Investors :

Every person subscribing to securities offered by the company shall have the option to receive the security certificate or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

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

D) Securities in Depositories to be in fungible form :

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

E) Rights of Depositories and Beneficial Owners :

i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

ii) Save as otherwise provided in (i) above, the Depository as a Registered owner of the Securities shall not have any voting rights or any other right in respect of the Securities held by it.

iii) Every person holding Securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

F) Depository to furnish information

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

- G) Cancellation of Certificates upon surrender by a person :**
Upon receipt of Certificate of Securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such Certificate and substitute in its records the name of Depository as the Registered Owner in respect of the said Securities and shall also inform the Depository accordingly.
- H) Option to opt out in respect of any Security:**
If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.
The Company shall within 30 (thirty) days of receipt of intimation from the Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the Regulations, issue the Certificate of Securities to the Beneficial Owner or Transferee as the case may be.
- I) Sections 83 and 108 of the Act not to apply**
Notwithstanding anything to the contrary contained in the Articles –
i) Section 83 of the Act shall not apply to the shares held with a Depository.
ii) Section 108 of the Act shall not apply to transfer of Securities effected by the transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.
- J) Distinctive Number of Securities held in a Depository.**
The shares in the Capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in a manner herein before mentioned, no share shall be sub-divided.
- K) Register and Index of Beneficial Owners :**
The Register and Index of Beneficial Owner, maintained by a Depository under Section 11 of Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purpose of these Articles and the Act.
- L) Intimation to Depository :**
Notwithstanding anything contained in the Act or these Articles, where Securities are dealt with in or by a Depository, the Company shall intimate the details of allotment of Securities thereof to the Depository immediately on allotment of such Securities.
- M) Stamp duty on Securities held in Dematerialised form :**
No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form or Electronic medium.
- N) Applicability of the Depositories Act :**
In case of transfer of shares debentures and other marketable securities, where the Company has not issued any Certificate and where such shares, debentures or securities are being held in an Electronic and fungible form in a Depository, the provision of the Depositories Act, 1996 shall apply.

- O) Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository :

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the Holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service or notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent Jurisdiction or as required by Law be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have expressed or implied notice thereof.

- P) Voting Rights :

A Depository as a registered owner shall not have any voting rights in respect of shares and securities held by it in dematerialised form. However, the beneficial owner as per the register of beneficial owners maintained by a Depository shall be entitled to such rights in respect of shares or securities held by him in the Depository. Any reference to the members or joint members shall include a reference to Beneficial Owner or joint Beneficial Owners in respect of the shares held in Depository.

- ii) After Clause 21(iii), insert the following Article as Clause 21(iv):
"21(iv) Not with standing anything contained in Clause No.21(i) to (iii), the Company shall have power, subject to and in accordance with all applicable provisions of the Act and other applicable provisions of law and subject to such approvals, permissions and sanctions as may be necessary to purchase or acquire any of its own fully paid shares, or other specified securities whether or not they are redeemable and may make a payment thereof out of its free reserves or out of share premium account/securities premium account of the Company or out of the proceeds of any issue of shares or other specified securities made by the Company specifically for the purpose or from such other sources as may be permitted by law or such terms and conditions and in such manner as may be prescribed by law from time to time".

- iii) NOMINATION:

"After Clause 66, insert the following Article as 66A.

- 66A (a) Notwithstanding anything contained in these Articles, every holder of Shares or Debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares or debentures of the Company shall vest in the event of his/her death and the provisions of Section 109a and 109B of the Act shall apply in respect of such nomination
- (b) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company in the event of his death, during the minority."
- (c) The Company shall not be in anyway responsible for transferring the shares and/or debentures consequent upon such nomination being filed in the event of death of the shareholder/debentureholder.

- (iv) Delete Clause Nos. 195.
- (v) Substitute Clause 107 by the following :-
"107 A Director of the Company shall not be required to hold any shares in the Company as his qualification shares".
- (vi) Substitute Clause 163 by the following
"163 The Seal of the Company shall not be affixed to any instrument except by the Authority of a Resolution of the Board or a Committee of the Board authorised by it in that behalf, and except in the presence of atleast one Director or such other person as the Board may appoint for the purpose, and the Director or other person aforesaid shall sign on every instrument to which the Seal of the Company is so affixed in its presence, subject to provision of Article 17 hereof, in respect of Share Certificate.
- (vii) Substitute Clause 178 by the following :-
"178 No unclaimed or unpaid dividend shall be forfeited by the Company and any unclaimed or unpaid dividend shall be treated in the matter as laid down under the provisions of Sections 205A, 205B and 205C and other applicable provisions of Companies Act, 1956."
- (viii) Substitute Clause 180 by the following :-
"180 Unless otherwise directed any dividend may be paid by cheque or warrant or demand draft sent through the post to the Registered address of the member or person, entitled, or through the Electronic Clearing Service of the RBI on the basis of Bank Account details as provided to the Company or in such other manner as may be permitted, or in case of joint holders to one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transit/transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means or for any loss or wrong credit of dividend made by member's banker."

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

Name	Address and Discription	Number of Shares Taken	Witness to Signatures
1. GIRDHARDAS HARIVALLABHDAS PAREKH.	Merchant Ahmedabad	One	
2. MANGALDAS GIRDHARDAS PAREKH	Merchant Ahmedabad	One	
3. HORMSAJI MANEKJI MEHTA	Merchant Mumbai	One	
4. CHAMANLAL GIRDHARDAS PAREKH	Merchant Ahmedabad	One	
5. ESA SUMAR	Merchant Mumbai	One	
6. JEHANGIR HORMASJI UMRIGAR	Merchant Mumbai	One	-
7. GULBAI HORMASJI MEHTA	Merchant Mumbai	One	

Dated this day of 1913