

**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
TOURISM FINANCE CORPORATION OF INDIA LIMITED**

**CERTIFIED TRUE COPY**



**SANJAY AHUJA**

**Sr. Vice President & Company Secretary  
Tourism Finance Corporation of India Limited  
4th Floor, Tower-1, NBCC Plaza, Sector-V,  
Pushp Vihar, Saket, New Delhi-110017**

Company No.55-34812.



## Certificate for Commencement of Business

व्यापार प्रारम्भ करने का प्रमाण-पत्र

Pursuant to section 149 (3) of the Companies Act, 1956

कम्पनी अधिनियम १९५६ की धारा १४९ (३) के अनुसरण में

I hereby certify that the TOURISM FINANCE CORPORATION OF INDIA  
मैं एतद द्वारा प्रमाणित करता हूँ कि LIMITED

टुरीजम फाइनेन्स कारपोरेशन आफ इण्डिया लिमिटेड।

which was incorporated under the Companies Act, 1956 on  
जो कि कम्पनी अधिनियम, १९५६ के अन्तर्गत पंजीकृत की गई थी दिनांक 7 माघ, 1910

the TWENTY SEVENTH day of JANUARY 1989

and which has filed a duly verified declaration in the

और जिस ने कि यथावत् निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत

prescribed from that the conditions of section 149 (1) (a) to (c) /

कर दिया है कि उस ने धारा १४९ (१) (क) से (घ) / १४९ (२) (क) से (ग)

148 (2) (a) to (c) of the said Act. have been complied with, is entitled

की सभी शर्तों का अनुपालन कर दिया है, अतः व्यापार आरंभ करने का

to commence business.

अधिकारी है।

Given under my hand at NEW DELHI

मेरे हस्तक्षर से आज दिनांक 12 माघ, 1910

this FIRST day of FEBRUARY

One thousand nine hundred and EIGHTY NINE

को जारी किया गया।



( B. BHAVANI SANKAR )

Register of Companies

कम्पनी रजिस्ट्रार

दिल्ली एवं हरियाणा

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प्राप्त ० एक

Form 1

निगमन का प्रमाण-पत्र

## Certificate of Incorporation

सं. 55-34812 का सं. 1910

No. 55-34812 of 88-89

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज टुरिज्म फाइनेन्स कॉर्पोरेशन ऑफ इण्डिया लिमिटेड।

कम्पनी अधिनियम, 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that TOURISM FINANCE CORPORATION OF INDIA LIMITED

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता. 7 मार्च, 1910 को दिया गया।

Given under my hand at NEW DELHI this TWENTY SEVENTH day of JANUARY One thousand nine hundred and EIGHTY NINE



। बी. भवानी शंकर ।

कम्पनी रजिस्ट्रार

दिल्ली एवं हरियाणा

( B. BHAVAN RKA )

Registrar of Companies  
DELHI & HARYANA

CERTIFIED TRUE COPY

SANJAY AHUJA

Sr. Vice President & Company Secretary  
Tourism Finance Corporation of India Limited  
4th Floor, Tower-1, NBCC Plaza, Sector-V,  
Pushp Vihar, Saket, New Delhi-110017



THE COMPANIES ACT, 1956  
COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF

**TOURISM FINANCE CORPORATION  
OF INDIA LIMITED**

- I. The name of the Company is TOURISM FINANCE CORPORATION OF INDIA LIMITED.
- II. The Registered Office of the Company will be situated in the Union Territory of Delhi.
- III. The objects for which the Company is established are:-

(A) The Main Objects to be pursued by the Company on its incorporation are:

- (1) To commence and carry on the business of assisting industrial, commercial, professional and trading enterprises - corporate bodies, partnership firms, trusts, individuals or other concerns howsoever constituted and engaged or to be engaged in setting up and/or development of tourism and tourism related activities, facilities and services such as :

Hotels, Motels, Restaurants, Canteens, Caterers, Cafeterias, Refreshment rooms, taverns, flight kitchens,

Holiday resorts, lodging houses, youth hostels, forest lodges, beach resorts, tourist bungalows, guest houses, caravan sarais, yatri niwases, camping sites, inns, other places for boarding, lodging and stay of tourists,

Amusement parks and all types of rides and complexes and all civil works, facilities, services, equipments, and machinery for entertainment, education and sports, cine rama, space centres, technology centres and futuristic technology exhibitions, under water and seaworld shows, safari parks, ropeways and aerial ropeways, cultural centres, conference centres, convention centres, recreation centres, concert halls, opera halls, auditoriums, theatres and museums,

All means of transport whether by surface, land, sea, inland waterways, air, or space and cars, cabs, taxis, coaches, buses, trucks, mono-rail, boats, ferries, steamers, ships, launches, vessels, air crafts, hover crafts, helicopters, space crafts, elevators and escalators and those at airports, ports, railway and bus stations.

Travel agencies, tour operating agencies, air charters, air taxis, tourist information network agencies and production of tourist information maps/ guides,

- Tourist emporia, duty free shops and other such places for selling travel requisites and other such articles of tourist interest,
- Services and facilities for gymnasiums, health clubs, trekking, skiing, skating, gliding, surfing, swimming, water sports and all other such sports,

by assisting in the creation, operation, expansion and modernisation of such enterprises and by encouraging and promoting private and public ownership and participation of capital, in such enterprises.

- (2) To commence and carry on the business of lending or granting by way of loans or advances in rupee and/or foreign currency or in any other form, monies with or without interest and/or with or without security for the purpose of assisting enterprises in India and engaged or to be engaged in tourism and tourism related

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- activities, facilities and services and transferring for consideration any instrument relating to loans and advances or assistance in any other such form related thereto.
- (3) To commence and carry on the business of facilitating, through grant of loans and other financial, technical and professional assistance, the acquisition, maintenance, modification, construction, reconstruction, refurbishing and renovation of tourism and tourism related activities, facilities and services including hotels and other places for boarding, lodging and stay of tourists, amusement parks and complexes, rope ways, cultural centres, convention centres, recreation centres, concert halls, opera halls, auditoriums, theatres, museums, all means of transport whether by surface, land, sea, inland water-ways, air or space, all types of travel and tourist agencies, tourist emporia and shops, services and facilities for all types of sports in India.
  - (4) To commence and carry on the activities of coordinating and formulating guidelines and policies relating to the financing of all such projects in the tourism and tourism related activities, facilities and services.
  - (5) To commence and carry on the developmental and promotional functions with regard to tourism and tourism related activities, facilities and services within the overall policies of the Government.
  - (6) To commence and carry on the business of giving guarantees or counter-guarantees for the payment or performance of any debts, deferred payments, credit arrangements, contracts or obligations or become surety for any person, firm, company, co-operative society or any association of persons, for any purpose.
  - (7) To commence and carry on the business of bill marketing and discounting of bills, factoring and related fields in connection with tourism and tourism related activities, facilities and services.
  - (8) To commence and carry on the business of performing and undertaking activities pertaining to leasing, giving on hire or hire purchase, lending, selling, re-selling or otherwise disposing of all forms of immovable and movable properties and all types of industrial, office and other plant, equipment and machinery and all means of transport whether by surface, land, sea, water, air or space and any other such property of any kind, nature or user and whether required for manufacturing, processing, marketing, transporting, trading or any other commercial or service business and for the purpose or otherwise acquiring dominion over the same, whether new or used.
  - (9) To commence and carry on the business of agents for the Central and/or State Government or any other international or national institution or organisation in the transaction of any business concerned with tourism and tourism related activities, facilities and services.
  - (10) To commence and carry on the business of investments and to buy, purchase, underwrite, subscribe, invest, deal in and acquire, hold, sell, exchange, or otherwise dispose of shares, stocks, debentures, debenture stocks, bonds, obligations, participation certificates, participation units or other similar or other securities issued by any body corporate, firm, person, any Government, State, Dominion, Sovereign, public body, public trust or authority or otherwise, constituted or carrying on business in India provided always that no investment imposing unlimited liability upon the Company shall be made.
  - (11) To commence and carry on the business of Merchant Banking and other allied activities.

- \*(12) To carry on the business of arranging or providing financial assistance independently or in association with any person, government or any other agencies, whether incorporated or not, in form of lending or advancing money by way of a loan (including long-term loan), working-capital finance or in any other form, whether with or without security to industrial, commercial, professional and trading enterprises, corporate bodies, partnership firms, trusts, individuals, or other concerns howsoever constituted and engaged in or in connection with either directly or indirectly and whether wholly or in part, for the purposes of infrastructure developments work or providing infrastructure facility or engaged in infrastructure activities, which shall include work of facility or providing of services in relation to or in connection with setting up, development, construction, operation, maintenance, modernization, expansion and Improvement of any infrastructure project or facility including roads, highways, railways, airways, waterways, ports, transport systems, systems for generation or storage or transmission or distribution of power, irrigation and irrigation systems, sewerage, water supply, sanitation, health, tourism, education, oil & gas (excluding exploration), food and agriculture infrastructure and setting up of industrial areas.
- \*(13) To carry on the business of a financial institution for the purpose of developing and provision of wide range of financial products and services for the purpose of and in relation to the development and establishment of infrastructure including tourism projects and facilities in India, including, without limitation, provisions of various kind of guarantees, credit enhancement and refinancing assurance including market-making or provision of liquidity support of various kinds, development, encouragement and participation in the securities market for financing, development and implementation of various opportunities and schemes for domestic savers to participate in its development, mobilizing capital from domestic and foreign investors including insurance and pension funds and from other financial investors and management thereof.
- \*\* (14) To carry on the business of assisting enterprises-corporate bodies, partnership firms, trusts, individual or other concerns howsoever constituted and engaged or to be engaged in industrial, manufacturing, real estate and service sector by way of financial assistance in the form of short, medium and long term loan or working capital facilities or equity/debt participation, individually or in syndicates and in any form/scheme as may be deemed expedient.
- \*\* (15) To carry on the business of acquisition by any mode, construction, promotion, maintenance, renovation, development of hotels, motels, resorts, tourist bungalows, guest houses, other similar places for boarding, lodging and stay of tourists, amusement parks, convention & recreation centres, commercial spaces/complexes etc. or to buy or otherwise acquire such assets of every description, new or used, complete or incomplete, for the advancement of Company's interest.
- (B) Objects Incidental or Ancillary to the attainment of the Main Objects:**
- (1) To provide or obtain advice or services in various fields including finance, investment, technical, managerial, administration, commerce, law, economics, labour, industry, public relations, statistics, science, computers, accountancy, taxation, quality control and processing in connection with the business of the Company.
- (2) To act as managers, consultants and delegates for and render services as such to any person, body corporate, Government, State, Dominion, Sovereign, public body, public trust, statutory body or other local authorities for any purpose including but not limited to matters related to administration of any fund, statutory or otherwise in connection with the business of the Company.

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\* Inserted by amendment on March 31, 2010

\*\* Inserted by amendment on March 26, 2012



- (3) To act as agents for collection, receipt or payment of money and generally to act as agents and administrators for and render services to any person, firm, company or association of persons, Government, State, Dominion, Sovereign, public body, public trust, statutory body or other local authorities in connection with the business of the Company.
- (4) To commence and carry on the business of providing finance to any person, firm, body corporate or any association of persons in the form of long, medium or short term loans, with or without interest and /or with or without security, equity participation, sponsoring and underwriting new issues of shares and securities, guaranteeing and/or counter-guaranteeing loans from other investment sources and making funds available for re-investment by revolving investment as rapidly as prudent to the advancement of Company's interest.
- (5) To insure or guarantee and/or counter guarantee the payment of advances, credits, Bills of Exchange and other commercial obligations or commitments of every description, as well as the fulfillment of contracts and other trading and commercial transactions of every descriptions, whether in India and to indemnify any person against the same, and to guarantee the payment of money, whether principal or interest, secured by or payable under or in respect of any debentures, debenture stock, bonds, mortgage, charge, security, contract or obligation of any person, association of persons or corporations or any authority, supreme, municipal, local or otherwise in connection with the business of the Company.
- (6) To commence and carry on activities related to investments and participations in income, profits and gains accrued to the Company from the acquisition, holding, management and disposal of securities and to sell and purchase units in the connection with the business of the company.
- (7) To promote, organize, manage, hold, dispose off or deal with shares or securities of unit Trusts or other mutual funds whether of fixed or variable character for the advancement of Company's interest.
- (8) To facilitate and encourage the creation, issue or conversion of debenture, debentures stock, bonds, obligations, shares, stock and securities and to act as trustees in connection with any such securities and to take part in the conversion of business concerns and undertakings of the companies for the advance of Company's interest.
- (9) To finance or assist by advancing loans or otherwise and render services in acquisition, purchase, sale or otherwise disposal off or dealing with land estate, building sites, buildings and any other type of immovable properties right or interest therein as also in developing, constructing, managing and maintaining the same, and also to guarantee the debts, obligations and contracts of any person, firm or company or corporations whatsoever either with or without interest and/or with or without any security, and to purchase any freehold and leasehold lands, estate or interest in or to take a demise for any term or terms of years of any land or property upon such terms and conditions as the Company may think fit.
- (10) To finance or assist in financing the sale or purchases of houses, buildings and flats by way of hire purchase or deferred payment or similar transactions and to institute, enter into, carry on, subsidise, advance or assist in subsidising or financing the sale or purchase or maintenance of any such houses, buildings and flats or otherwise as aforesaid upon any term in connection with the business of the Company.
- (11) To constitute any trusts and act as and to exercise power of trustees, executors, administrators, receivers, treasurers, attorneys, nominees and agents to undertake and execute agencies and trusts of all kinds and to exercise all the powers of custody and trust corporations for the advancement of Company's interest.

- (12) To constitute any trusts with a view to issue of preferred and deferred or any other special stocks, securities, certificates or other documents based on or representing any shares, stocks, or other assets appropriated for the purposes of any such trust and to settle and if thought fit, to undertake and execute any such trusts and to issue hold or dispose of any such preferred, deferred or other special stocks, securities, certificates or documents for the advancement of Company's interest.
- (13) To appoint trustees (whether individuals or corporations) to hold securities on behalf of and to protect the interests of the Company
- (14) To constitute, undertake, execute or administer any trust or funds as may seem desirable and either gratuitously or otherwise.
- (15) To grant loans and advances by way of refinance to any other institution, bank or company in respect of loans and/or advances granted to enterprises for tourism and tourism related activities, facilities and services.
- (16) To construct, equip, maintain, purchase, acquire, hire, build, fit out, repair, refurbish, renovate, sell, resell, hotels and other places for boarding, lodging and stay of tourists, amusement parks and complexes, ropeways, cultural centres, convention centres, recreation centres, concert halls, opera halls, auditoriums, theatres, museums, all means of transport whether by surface, land, sea, inland waterways, air or space, all types of travel and tourist agencies, tourist emporia and shops, services and facilities for all types of sports in India required for tourism and tourism related activities, facilities and services and to buy or otherwise acquire such assets of every description, new or used, complete or incomplete, sound or out of repair, for the purpose of improving or otherwise making a profit out of the same.
- (17) To enter into, take over, negotiate or otherwise acquire, any contract or contracts for constructing, building, equipping, fitting or otherwise relating to hotels and other places for boarding, lodging and stay of tourists, amusement parks and complexes, ropeways, cultural centres, convention centres, recreation centres, concert halls, opera halls, auditoriums, theatres, museums, all means of transport whether by surface, land, sea, inland water ways, air or space, all types of travel and tourist agencies, tourist emporia and shops, services and facilities for all types of sports in India required for tourism and tourism related activities, facilities and services, and to enter into, take over, negotiate or otherwise acquire any other contract or contracts, at such prices and for such consideration, and upon such terms and conditions and subject to such stipulations and agreements as the Company may determine, and at any time, and from time to time, vary, modify, alter, or cancel any such contract.
- (18) To act as tourist agents, and contractors and to facilitate travelling and to provide for tourists and travellers and promote the provision of conveniences of all kinds in the way of or through, tickets, circular tickets, sleeping cars or berths, reserved places, hotel and lodging accommodation, guides, safe deposits, enquiry bureaus, libraries,



commercial centres for office and secretarial assistance, restrooms, laundries and dry cleaners, currency exchange centres, reading rooms, baggage transport and otherwise.

- (19) To acquire concessions or licenses for the establishment and working of hotels and other places for boarding, lodging and stay of tourists, amusement parks and complexes, ropeways, cultural centres, convention centres, recreation centres, concert halls, opera halls, auditoriums, theatres, museums, all means of transport whether by surface, land, sea, inland waterways, air or space; all types of travel and tourist agencies, tourist emporia and shops, services and facilities for all types of sports in India required for tourism and tourism related activities, facilities and services, with the benefit of any subsidy attached to any such concession or licence or otherwise and to sell, resell, let or sub-let any concession or licence obtained or contract entered into.
- (20) To undertake and finance research, surveys, techno-economic or any other study, collection, compilation and dissemination of market and business information both in India and abroad for planning, promoting, developing and financing tourism and tourism related activities, facilities and services.
- (21) To borrow or raise money, with or without interest and/or with or without security in such manner as the Company may think fit and to ensure the repayment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into or performed by the Company in any way, with full power to make the same and in particular by the issue of debentures, perpetual or otherwise, or by the issue of instruments transferable by delivery or otherwise, charged upon all or any of the Company's property (both present and future) including its uncalled capital, and to purchase, redeem or pay off any such securities, subject to provisions of Sections 58A, 292 and 293 of the Act and rules made thereunder and directions of Reserve Bank of India.
- (22) To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading and all other negotiable or transferable instruments.
- (23) To borrow or raise or secure the payment of money by issue of debentures, debenture stocks, bonds, obligations, mortgages and securities of all kinds and to frame, constitute and secure the same as may seem expedient, subject to the provisions of Sections 58A, 292 and 293 of the Act and rules made thereunder and directions of Reserve Bank of India.
- (24) To receive monies on deposit, loans or otherwise, with or without interest and/or with or without security and to secure the same in such manner and on such terms and conditions as may be deemed expedient in the interest of the Company, subject to provisions of Sec. 58A 292 and 293 of the Act and rules made thereunder and directions of the Reserve Bank of India; however the Company shall not carry on Banking business as defined in the Banking Regulation Act, 1949.

- (25) To secure or discharge any debt or obligation of, or binding on the Company in such manner as may be thought fit and in particular by sale, mortgage and/or charge, exchange, lease or licence, upon the undertaking and all or any of the assets and property (present and future), and the uncalled capital of the Company or by the creation and issue, on such terms as may be thought expedient, of debentures, debenture stocks, or other securities of any description or by the issue of shares credited as fully or partly paid-up.
- (26) To purchase or otherwise acquire and undertake the whole or any part of, or any interest in the business, good will, property, contracts, agreements, rights, privileges, effects and liabilities of any other company, corporation, firm, person or association of persons carrying on, or having ceased to carry on, any business which the Company is authorised to carry on; to advance its interest, and upon such terms and subject to such stipulations and conditions and at or for such price or consideration (if any) in money, shares, moneys' worth or otherwise as may be deemed advisable.
- (27) To seek for, engage in, and secure openings for the employment of capital and with a view thereto to prospect, inquire, examine, explore and test and to despatch and employ expeditions, commissions and other agents in connection with the business of the Company.
- (28) Subject to Sec. 49 of the Act, to hold in the name or names of others any property which the Company is authorised to acquire.
- (29) To take part in the formation, management, supervision or control of the business or operations of any company or undertaking and for that purpose to act as Administrators, or in any other capacity and to nominate or appoint and remunerate any Directors, Administrators, Managers or Accountants or other Experts or Agents in connection with the business of the Company.
- (30) To form, promote, subsidise, organise and assist or aid in forming, promoting, subsidising, organising, assisting or aiding companies, or partnership of all kinds for the purpose of acquiring and undertaking any property and liability of the Company or any other company or advancing directly or indirectly the objects thereof or for any other purpose which the Company may think expedient and to take or otherwise acquire hold and dispose off shares, debentures and other securities in, or of any such company and to subsidise or otherwise assist any such company.
- (31) To purchase, take on lease or in exchange, hire, hire purchase or otherwise acquire or dispose off any immovable or movable property, patents, licences, rights or privileges which the Company may think necessary or convenient for the purpose of its business, and to develop and turn to account and deal with the same in such manner as may be thought expedient and to construct, maintain and alter any buildings or works necessary or convenient for the purposes of the Company.
- (32) To sub-let all or any contracts, from time to time and upon such terms and conditions as may be thought expedient.

- (33) To enter into any partnership or arrangement in the nature of a partnership, co-operation or union of interest with any person or association of persons, company or corporation engaged or to be engaged or interested in carrying on or conduct of any business or enterprise which the Company is authorised to carry on.
- (34) To enter into arrangements with any Government or Authority, central, supreme or state, municipal, local or otherwise which may seem conducive to the Company's objects or any of them and to obtain from any such Government or Authority any concessions, grants or decrees, rights or privileges whatsoever which the Company may think fit or which may seem to the Company capable of being turned to account and to comply with, work, develop, carry out, exercise and to turn to account any such arrangements, concessions, grants, decrees, rights or privileges.
- (35) To enter into arrangements with companies, firms, person and association of persons for promoting and increasing the manufacture, sale, purchase and maintenance of goods, articles or commodities of all and every kind and description, either by buying, selling, leasing, letting on hire, hire purchase or instalment payment systems or by financing or assisting such other companies, firms, person or association of persons to do all or any of the aforementioned acts, transactions and things and in such manner as may be necessary or expedient and in connection with, or for any of these purposes, to purchase agreements, lend money, give guarantees or security or otherwise finance or assist all such purposes on such terms and in such manner as may be desirable or expedient.
- (36) To buy, import, manufacture, repair, alter, manipulate, sell, improve, resell, exchange, let on hire, export and deal in all works, plant, machinery, tools, appliances, instruments, apparatus, materials, substances, articles and things capable of being used in any business, which the Company is competent to carry on.
- (37) Subject to Sec. 391 to 394 of the Act, to amalgamate with or enter into partnership or any joint pursuit or profit sharing arrangement with or co-operate with or subsidise or assist in any way any company, association or person.
- (38) To employ experts to investigate and examine into the condition, prospects, value, character and circumstances of any business, concerns and undertakings and of any assets, property or rights which is seen beneficial to the advancement of Company's business.
- (39) Subject to Sec. 293 of the Act, to sell, mortgage, exchange, lease, grant licences, easements and other rights over, improve, manage, develop, and turn to account or in any other manner deal with or dispose off the undertakings, investments, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit, including any stocks, shares or securities of any other company, whether partly or fully paid-up.



- (40) To pay for any property or rights acquired by the Company either in cash or fully or partly paid shares or by the issue of securities or partly in one mode and partly in another and on such terms as may be determined.
- (41) To communicate with Chambers of Commerce and other mercantile and public bodies in India and elsewhere, and concert and promote measures for the protection and advancement of trade, industry, commerce and other facilities.
- (42) To consider, originate and support improvement in the commercial and other laws affecting industry, trade, commerce or manufacture and to promote legislation and other measures affecting such industry, trade, commerce or manufacture for the advancement of Company's interest.
- (43) To remunerate any person, firm, company or association of persons for services rendered or to be rendered to, or on behalf of the Company.
- (44) To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments, to undertake and carry on scientific and technical researches, experiments and tests of all kinds, to promote studies and researches, both scientific and technical, investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remuneration of scientific or technical professors, teachers or researchers and by providing or contributing to the awards of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.
- (45) To instal and work, pilot, proto-type or semi-scale units or full commercial plants, to develop a particular invention or inventions and to ensure production from such invention or inventions, to sell or otherwise dispose off the products of such invention or inventions on payment or otherwise, and on such terms and conditions as may be deemed fit.
- (46) To apply for and take out, purchase by way of licence or otherwise any patents, patent rights of inventions, trade mark rights, copy rights of secret processes or technical aid or know-how which may be useful for the Company's objects and to grant licences to use the same.
- (47) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses or dwellings or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other assistance as the Company may think fit.

- (48) To aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
- (49) Subject to the provisions of the Companies Act 1956, to distribute any of the property or assets of the Company to its Members in specie or kind, in the event of its winding up.
- (50) To purchase, take on lease or in exchange, obtain assignments of or otherwise acquire lands, buildings or flats of any tenure or description and any estate or interest in and any rights connected with any lands, buildings and flats.
- (51) To acquire, erect, construct, enlarge, alter or maintain buildings and structures of every kind necessary or convenient for the Company's business.
- (52) To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social or moral responsibilities of the Company to the public or any section of the public as also any activity to promote national welfare or social, economic or moral uplift of the public or any section of the public and undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers, or for organisation of lectures or seminars likely to advance these objects or for giving merit awards; or giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution or trust, having any one of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner and in order to implement any of the abovementioned objects or purposes transfer without consideration or at a fair or concessional value and divest the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Government or any public institution or trust or fund recognised by State or Central Government or established or operating under, by virtue of or pursuant to any law for the time being in force.
- (53) To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, programme of rural development shall also include programme for promoting the social and economic welfare of, or uplift of the public in any rural area likely to promote and assist rural development and the words 'rural area' shall include such areas as may be regarded as rural area under Section 35CC of the Income-tax Act, 1961, or any other law relating to rural development for the time being in force and in order to implement any of the above mentioned objects or purposes transfer without consideration or at a fair or concessional value and divest the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State

Government or any public institution or trust or fund recognised by State or Central Government and engaged in the programme of rural development.

- (54) To create any depreciation fund, development rebate fund, investment allowance reserve fund, reserve fund, sinking fund, or any other special fund, whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purposes conducive to the interests of the Company
- (55) To pay all preliminary expenses of any kind and incidental to the formation and incorporation of the Company out of the funds of the Company.
- (56) To procure the registration or recognition of the Company in or under the laws of any place outside India.
- (57) To take such steps as may be necessary to give the Company the same rights and privileges in any part of the world as are possessed by local companies or partnerships of a similar nature.
- (58) To maintain close contact with other Institutions in India and other parts of the world having similar objectives either wholly or partially, by way of payment to subscription, enrolment as a member, fiscal or other sort of assistance, collaboration or cooperation or any other way as the Company may deem necessary.
- (59) To undertake to provide comparative information about the characteristics, interest or other attributes of individuals, communities, organisations, countries or other social units and of any articles or commodities or economic trends or persons for the advancement of Company's interest.
- (60) To undertake and transact all kinds of agency business, and to carry on and promote any business, commercial or otherwise under sound principles or to act as distributors, agents, contract man representation and indenting agents on commission and/or allowances as may be deemed fit.
- (61) To negotiate and enter into agreements, and contracts with foreign or other companies, firms and individuals with regard to technology transfer, know-how, technical process, technical assistance, technical or other collaboration, in connection with setting up and operation of any industrial undertaking or undertakings, manufacturing, marketing, importing and exporting, of the equipments, plants, technical know-how, process know-how, laboratory equipments, apparatuses and other articles and things or any of them for all or any of the business of the Company.
- (62) To establish and maintain branch offices or agencies within or outside India and appoint representatives or agents there to carry out the objects of the Company.
- (63) To fix and receive such fees and other charges as may be necessary for the service rendered by the Company to other persons.



- (64) To give publicity to the business, services, activities of the Company and its constituents and associates in India and foreign countries by means of advertisements, cine reels and slides, Video cassettes, posters, or by publication of books, periodicals and magazines, by purchase and exhibition of works of art by granting rewards, prizes and by any other suitable means.
- (65) To appoint or employ temporarily or permanently or obtain on deputation any person or persons who may be required for purposes of the Company and to pay for their services, wages, gratuities, provident fund and other contributions.
- (66) To prepare and maintain accounts and other relevant records and to prepare an annual statement of accounts including the Balance Sheet of the Company.
- (67) To constitute such committees as the Company may deem fit for the disposal of any of its business or on such matters as the Company may like to be advised and to delegate any of its powers to such committee or committees.
- (68) To make and enforce Rules and Bye-laws for the conduct of the affairs of the Company, and to add, amend, vary or rescind the same, from time to time.
- (69) To advise on the affairs of the management and supervision of any industrial or business concern or undertaking and to collaborate with any industrial, research, or business undertaking or organisation for any of the purposes within the objects of the Company.
- (70) To disseminate information by undertaking and providing for the publication of journals, reports, pamphlets and other literature and research papers and books in furtherance of the objects of the Company.
- (71) To undertake, organise and facilitate training courses, schemes, classes and programmes, as well as conferences, lectures and seminars to promote the aforesaid objects.
- (72) To undertake and provide credit rating services in connection with business of the Company.
- (73) To undertake designing, constructing and developing, management know-how, studies, development and evaluation of projects, expertise, data, information, and/or dealing with technical know-how connected with activities referred to in main objects of the Company.
- (74) To do all or any of the above things and all such other things as are incidental or conducive to the attainment of the objects or any of them in India or in any part of the world and either as principals, agents, trustees, contractors, administrators or otherwise, and either alone or in conjunction with others and by or through agents, sub-contractors, trustees, administrators or otherwise.

**(C) OTHER OBJECTS:**

- (1) To commence and carry on the business as assessors, designers, draftsman, estimators, surveyors or valuers .
- (2) To commence and carry on or be interested in the business of buying, selling, distributing, leasing, exporting and importing of furniture, machinery, equipments and other materials .
- \*(3) To carry on business as share brokers and agents of insurance for all kinds and for all risks .

\*The Shareholder of TFCI at their Annual General Meeting held on 21st September, 1995 have passed Special Resolution pursuant to Section 149(2-A)(b) of Companies Act, 1956 and accorded approval for the commencement of the activities as per sub clause (3) of the Object Clause No.III-(C) (Other Objects) of the Memorandum of Association of the Company .

- \*\* (4) To commence and carry on the business of investments and to buy, purchase, underwrite, subscribe, invest, deal in and acquire, hold, sell, exchange, or otherwise dispose of shares, stocks, debentures, debenture stocks, bonds, obligations, participation certificates, participation units or other similar or other securities issued by any body corporate, firm, person, any Government, State, Dominion, Sovereign, public body, public trust or authority or otherwise, constituted or carrying on business in India provided always that no investment imposing unlimited liability upon the Company shall be made.
- \*\* (5) To commence and carry on the business of Merchant Banking and other allied activities .

\*\*The Shareholders of TFCI at their Annual General Meeting held on 26/7/1990 have passed Special Resolutions pursuant to the provisions of Section 149 (2-A)(b) of Companies Act, 1956 and accorded approval for the commencement of the activities as per sub clause (4) and (5) of the Object Clause No.III-(C) (Other Objects) of the Memorandum of Association of the Company.

- (6) To organise, run, maintain, operate, promote the business of interior decorators, furniture and carpet designers and manufacturers, boutiques, operators of fashion centres, fashion shows and to make, acquire, deal in any way in handicrafts, objects of art, precious stones, jewellery, whether artificial or otherwise and articles wherein precious stones may be used in textile fabrics and to manufacture and deal in any products as are dealt in by boutiques, fashion shows and interior decorators .

**(IV) The liability of the Members is limited .**

- #(V) The Authorised Share Capital of the Company is Rs.500,00,00,000 (Rupees Five Hundred Crore) divided into 125,00,00,000 (One Hundred Twenty Five Crore) Equity Shares of Rs.2/- each and 25,00,00,000 (Twenty Five Crore) Preference Shares of Rs.10/- each; with rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase or re-classify or alter the capital of the Company and to divide/ consolidate the shares in the capital for the time being into several classes and face values and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such right, privilege or condition or restriction in such manner as may for the time being be permitted by the Articles of Association of the Company and the legislative provisions for the time being in force.

CERTIFIED TRUE COPY

SANJAY AHUJA

Sr. Vice President & Company Secretary  
Tourism Finance Corporation of India Limited  
4th Floor, Tower-1, NBCC Plaza, Sector-V,  
Pushp Vihar, Saket, New Delhi-110017

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

Name of the Subscribers	Address and Descriptions of the Subscribers	Number of Equity Shares taken by each Subscriber	Signature of Subscribers	Witness
DHARMENDAR NATH DAVAR S/o Shri Daryal Lal Davar	Chairman Industrial Finance Corporation of India 16, Sansad Marg New Delhi - 110001	One	Sd/-	I witness the signatures of all the subscribers  Sd/- Kamlesh Kumar Varshney (S/o Late Shri Dori Lal Varshney) Deputy General Manager Industrial Finance Corporation of India, New Delhi.
SUDARSHAN KUMAR RISHI S/o Late Shri Sant Ram Rishi	Executive Director Industrial Finance Corporation of India 16, Sansad Marg New Delhi - 110001	One	Sd/-	
SAKTI PADA BANERJEE S/o Late Shri Santosh Chandra Banerjee	General Manager Industrial Finance Corporation of India 16, Sansad Marg New Delhi - 110001	One	Sd/-	
VEMPATI SIVA RAMA KRISHNA SASTRY S/o Late Shri Vempati Venkateswarlu	General Manager Industrial Finance Corporation of India 16, Sansad Marg New Delhi - 110001	One	Sd/-	
FAKIR MOHAN PATNAIK S/o Late Shri Digambar Patnaik	General Manager Industrial Finance Corporation of India 16, Sansad Marg New Delhi - 110001	One	Sd/-	
HARISH CHANDRA SHARMA S/o Late Shri Ram Narain Sharma	General Manager Industrial Finance Corporation of India 16, Sansad Marg New Delhi - 110 001	One	Sd/-	
RAMANATHAN SUBRAMANIAN S/o Late Shri Muthu Ramanathan Iyer	Dy. General Manager Industrial Finance Corporation of India 16, Sansad Marg New Delhi - 110001	One	Sd/-	

PLACE : NEW DELHI

DATED : the 23rd January, 1989



# ARTICLES OF ASSOCIATION OF TOURISM FINANCE CORPORATION OF INDIA LIMITED

1. The Regulations contained in Table A in the First Schedule to the Companies Act, 1956 shall not apply to the Company, but the regulations for the management of the Company and for the observance by the members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, or as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

Table A not to apply  
but Company to be  
governed by these  
Articles

## INTERPRETATION

2. (1) In these Articles, unless there be something in the subject or context inconsistent therewith -

Interpretation  
Clause

"The Company" means "TOURISM FINANCE CORPORATION OF INDIA LIMITED".

"The Company"

"The Act" or "the said Act" means "The Companies Act, 1956" and includes any statutory modification or re-enactment thereof for the time being in force in India.

"The Act" or "the  
said Act"

"Board", "Board of Directors" or "The Directors" means a meeting of the Board of Directors of the Company duly called and constituted or, as the case may be, Directors assembled at Board Meeting or acting by circular under the Articles.

"Board" "Directors"  
and "Board of  
Directors"

"IFCI" means Industrial Finance Corporation of India, established under the Industrial Finance Corporation Act, 1948.

"IFCI"

"Members" means the duly registered holders, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association.

"The Members"

"Month" means calendar month.

"Month"

"The Office" means the Registered Office for the time being of the Company.

"The Office"

"These presents" means these Articles of Association as originally framed or as altered from time to time.

"These Presents"

"The Seal" means the Common Seal of the Company.

"The Seal"

"Proxy" means an instrument whereby any person is authorised to vote for a member at a general meeting on a poll.

"Proxy"

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

"The Register"

"Secretary"	"Secretary" means and includes any person appointed in accordance with the provisions of the Companies (Secretary's Qualifications) Rules, 1975 and other rules for the time being in force.
"Ordinary Resolution" "Special Resolution"	"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto respectively, by Section 189 of the Act.
"Writing"	"Writing" shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.
Singular number	Words imparting the singular number only shall include the plural number and vice versa.
Gender	Words imparting the masculine gender only shall include the feminine gender and vice versa.
Persons	Words imparting persons shall include corporations, companies, firms and individuals.
Expressions in the Act to bear the same meaning in Articles	(2) Subject as aforesaid, any words or expressions defined in the Act, shall, except where the subject or context forbids, bear the same meaning in these Articles.
Marginal Notes	(3) The marginal notes hereto shall not affect the construction hereof.
Copies of Memorandum and Articles of Association etc. to be furnished by Directors	(4) Copies of the Memorandum and Articles of Association of the Company and every agreement and every resolution referred to in Section 192 of the Act shall be furnished by the Directors to every Member at his request and within 7 days thereof on payment of such sum as may be prescribed by the Act for each copy.

## CAPITAL

## SHARES

Capital	3. The Authorized Share Capital of the Company shall be such amount as may be authorized from time to time.
Register of Members and Debentureholders	4. The Company shall cause to be kept a Register of Members, an Index of Members, a Register of Debentureholders and an Index of Debentureholders in accordance with Sections 150, 151 and 152 of the Act.
Inspection of Register of Members, Debentureholders, etc.	5. The Register of Members, the Index of Members, the Register and Index of Debentureholders, copies of all Annual Returns prepared under Section 159 of the Act, together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act shall, except when the Register of Members or Debentureholders is closed under the provisions of the Act or these presents, be open to inspection of any Member or Debentureholder gratis and to inspection of any other person on payment of such sum as may be prescribed by the Act for each inspection. Any such Member or person may take extracts therefrom on payment of such sum as may be prescribed by the Directors.

6. The Company shall send to any Member, Debentureholder or other person on request, a copy of the Register of Members, the Index of Members, the Register and Index of Debentureholders or any part thereof required to be kept under the Act, on payment of such sum as may be prescribed by the Act. The copy shall be sent within a period of 10 days, exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.

The Company to send extract of Register etc.

7. The Directors shall observe the restriction as to allotment contained in Sections 69, 70 and 73 of the Act.

Restriction on allotment

8. Subject to the provisions of the Act and these presents, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose off the same or any of them to such persons in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time think fit and proper.

Shares at the disposal of the Directors

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

9. Subject to the provisions of the Act and these presents, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery supplied or for services rendered to the Company and any shares which may be so allotted may be issued as fully paid up or partly paid up and if so issued shall be deemed to be fully paid up shares or partly paid up shares.

Directors may allot shares as fully paid-up or partly paid-up

10. Any unclassified shares (whether forming part of the original capital or any increased capital of the Company) may, subject to the provisions of the Act and these presents, be issued either with the sanction of the Company in General Meeting or by the Directors and upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting sanctioning the issue of such shares be directed and, if no such direction be given, and in all other cases, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of the Company and any preference shares may be issued subject to the provisions of Section 80 of the Act, provided however that:-

Unclassified shares

(1) no shares shall be issued pursuant to this Article without the sanction of the Company in General Meeting unless they shall, subject to the provisions of Section 81 of the Act, be offered to the persons who are holders of equity shares of the Company in proportion, as nearly as circumstances admit to the capital paid up on those equity shares and

(2) no unclassified shares shall, without the sanction of the Company in General Meeting, be issued as preference shares if the aggregate nominal amount of issued preference shares would thereby exceed the aggregate nominal amount of the issued equity shares of the Company.

**\*10 (a)** The Company shall have the power to issue Cumulative and/or Non-Cumulative and/or Non-Convertible and/or partly or fully Convertible Preference Shares which are eligible to be converted partly and/or fully into equity shares of the Company as a part of its authorized share capital in the manner permissible under the Act and relevant SEBI Regulations. The Board may subject to the provisions of the Act, exercise such powers in any manner as it may think fit and provide for the conversion of Preference Shares into Equity on such terms and conditions including payment of the Dividend and the right to convert at premium or otherwise as may be deemed appropriate.

Issue of Preference shares

11. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an

Acceptance of shares



acceptance of shares within the meaning of these presents; and every person who thus or otherwise accept any shares and whose name is on the Register shall for the purpose of these presents be a Member.

Deposit and calls,  
etc. to be a debt  
payable immediately

12. The money, (if any), which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall, immediately on the insertion 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.

Instalments on  
shares

13. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

Calls on shares of  
the same class to be  
on uniform basis

14. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. 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.

Company not bound  
to recognise any  
interest in shares  
other than that of the  
registered holders

15. 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 the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

Company's funds may  
not be applied in pur-  
chase of or lent on  
shares of the Company

16. Except to the extent permitted by Section 77 of the Act, no part of the funds of the Company shall be employed in the purchase of or lent on the security of the shares of the Company,

Liability of Members

17. Every member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares, which may for the time being remain unpaid thereon, in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, require or fix for the payment thereof.

Trusts not  
recognised

18. Except as ordered by a Court of Competent Jurisdiction or as provided by the Act, no notice of any trust, expressed or implied or constructive, shall be entered on the Register of Members or of debentureholders of the Company.

#### UNDERWRITING COMMISSION

Commission for  
placing shares

19. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock or any other security of the Company or for procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture stock or any other security of the Company but so that if the commission in respect of shares shall be paid or

payable out of capital the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed the rates prescribed by the Act. The commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

#### CERTIFICATES

20. The certificate of the title of shares shall be issued under the Seal of the Company and shall bear the signatures of two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and the Secretary or some other person appointed by the Board for the purpose. The certificate of such shares shall be delivered within 3 months after the allotment or **within 1 month** after application for the registration of the transfer of such shares as the case may be unless the conditions of issue of the share otherwise provide. Provided always that notwithstanding anything contained in these Articles, the certificate of the title to share may be executed and issued in accordance with such other provisions of the Act or Rules made thereunder, as may be in force for the time being and from time to time.

Certificates how  
to be issued

21. Every Member shall be entitled without payment to one certificate for all the shares of each class or denomination registered in his name or, if the Directors so approve (upon paying such fee or fees or at the discretion of the Directors without payment of fees as the Directors may from time to time determine) to several certificates each for one or more shares of each class. Every certificate of shares shall specify the number of the shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Directors shall prescribe or approve. Where a member has transferred a part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.

Member's right  
to Certificates

Notwithstanding anything contained herein above, the Board may in its absolute discretion refuse applications for the sub-division or consolidation of share certificates, debenture or bond certificates, into denomination of less than the marketable lot except when such sub-division or consolidation is required to be made to comply with a statutory provision or on order of a competent Court of Law.

"Share/Debenture Certificates shall be issued in marketable lots and where share/debenture certificates are issued for either more or less than marketable lots, sub-division/consolidation into marketable lots shall be done free of charge."

"No fee shall be charged for issue of new share/debenture certificates in replacement of those which are old, decrepit, worn out or where the pages on the reverse for recording transfers have been fully utilised."

22 (1) A certificate may be renewed or a duplicate of a certificate may be issued if such certificate(a) is proved to have been lost or destroyed; or (b) having been defaced or mutilated or torn, is surrendered to the Company or (c) has no further space on the back thereof for endorsement of transfer.

As to Issue of  
new certificate in  
place of one de-  
faced, lost or de-  
stroyed

(2) The manner of issue or renewal of a certificate or issue of a duplicate thereof, the form of a certificate (original or renewed) or of a duplicate thereof, the particulars to be entered in the Register of Members or in the Registers of renewed or duplicate certificates, the form of such Registers, the fee on payment of which, the terms and conditions on which a certificate may be renewed or a duplicate thereof may be issued, shall be such as prescribed by the Companies (Issue of Share Certificates) Rules, 1960 or any other Rules in substitution or modification thereof.

#### CALLS

23. The Directors may, from time to time, make such calls as they think fit upon the Members in respect of all moneys unpaid on the shares held by them

Calls

respectively, and not by the conditions of allotment thereof made payable at fixed times, and each Member shall pay the amount of every call so made on him to the person and at the times and places appointed by the Directors. A call may be made payable by instalments.

Call to date from  
resolution

24. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by Members on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

Notice of call

25. Not less than 30 days' notice of every call shall be given specifying the time of payment provided that before the time for payment of such call the Directors may by notice in writing to the Members revoke the same.

Directors may  
extend time

26. The Directors may, from time to time and at their discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members who, from residence at a distance or other cause, the Directors may deem entitled to such extension, but no Member shall be entitled to such extension save as a matter of grace and favour.

Liability of  
Joint-holders

27. The Joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof

Amount payable at  
fixed time or by  
instalments as calls

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

When interest on  
call or instalment  
payable

29. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof the holders for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due shall pay interest on the same at such rate as the Directors shall fix, from time to time, from the day appointed for the payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.

Partial payment not  
to preclude forfeiture

30. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as herein provided.

Payment in  
anticipation of calls  
may carry interest

31. The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the company may pay interest at such rate as the Member paying such sum in,

advance and the Directors agree upon, and the Director may at any time repay the amount so advanced upon giving to such member 1 months' notice in writing.

"Money paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the Company."

32. No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any person, together with interest and expenses, if any.

Member not entitled to privileges of membership until all calls are paid

33. If any Member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such Member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been paid or incurred by the Company by reason of such non-payment.

If call or instalment not paid, notice must be given

34. The notice shall name a day not being less than 14 days from the date of the notice and the place or places on and at which such call or instalment or such part or other monies as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed the share in respect of which the call was made or instalment is payable will be liable to be forfeited.

Form of Notice

35. If the requisitions of any such notice as aforesaid are not complied with, any of the 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 or the money due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture subject to provisions of the Act.

In default of payment shares to be forfeited

36. When any share shall have been so forfeited an entry of the forfeiture with the date thereof shall be made in the Register of Members.

Entry of forfeiture on Register of Members

37. Any share so forfeited shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed off either to the original holder thereof or to any other person upon such terms and in such manner as the Directors shall think fit.

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

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

Power to annul forfeiture

39. Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interests, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as may be prescribed by the Directors and the Director's may enforce the payment of the whole or a portion thereof if they think fit but, shall not be under any obligation to do so.

Shareholder still liable to pay money owing at time of forfeiture and interest



Company's lien on shares

40. The Company shall have no lien on its fully paid shares. In the case of partly paid up shares the Company shall have a first and paramount lien only for all moneys 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 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 wholly or in part to be exempt from the provisions in this clause.

As to enforcing lien by sale

41. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor 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 of the sum presently payable for 7 days after such notice.

Application of proceeds of sale

42. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable and the residue (if any) entitled by transmission to the shares so hold.

Certificate of forfeiture

43. A certificate in writing under the hands of any Director, Manager or the Secretary of the Company that the call in respect of a share was made, and that the forfeiture of the share was made by a resolution of the Directors to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such share.

Title of purchaser and allottee of forfeited share

44. The company may receive the consideration, if any, given for the share on any sale, allotment or other disposition thereof and the person to whom such share is sold, allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, allotment or other disposal of the share and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Application of forfeiture provisions

45. The provisions of the Articles as to the forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share become payable at a fixed time, as if the same had been payable by virtue of a call duly made and notified.

#### TRANSFER AND TRANSMISSION OF SHARES

Transfer not to be registered except on production of instrument of transfer

46. The Company shall not register a transfer of shares in, or debentures of, the Company, unless in accordance with the provisions of Section 108 of the Act a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company alongwith the certificate relating to the shares or debentures, or if no such certificate is in existence, alongwith the letter of allotment of the shares or debentures;

Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is

provided to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit;

Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debentureholder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.

47. A transfer of shares or other interest in the Company of a deceased member thereof made by 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.

Transfer by Legal representatives

48. (a) An application for the registration of a transfer of any share or shares may be made either by the transferor or by the transferee.

Application for transfer

(b) Where the application is made by the transferor and relates to partly paid up shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee takes no objection to the transfer within two weeks from the receipt of the notice.

(c) For the purpose of sub-article(b), notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered at the time which it would have been delivered in the ordinary course of post.

49. Nothing in these presents shall prejudice the powers of the Company to refuse to register the transfer of any shares.

Company's power to refuse transfer

50. The instrument of transfer of any shares shall be in writing in the prescribed form and in accordance with Section 108 of the Act.

Form of transfer

51. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered into the Register of Members in respect thereof.

Transferor, liable until the transferee entered on

52. Notwithstanding anything contained in its Articles or in Section 82 or Section 111 of the Companies Act, 1956 (1 of 1956), but subject to other provisions of this section, a Company may refuse to register the transfer of any of its securities in the name of the transferee on any one or more of the following grounds and on no other ground, namely:

Directors may refuse to register transfer

a) that the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the security has not been delivered to the Company or that any other requirement under the law relating to registration of such transfer has not been complied with;

b) that the transfer of the security is in contravention of any law or rules made thereunder or any administered instructions of any law or rules made thereunder or any administered instructions or conditions of listing agreement laid down in pursuance of such laws or rules;

c) that the transfer of the security is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interests of the Company or to the public interest; and

d) that the transfer of the security is prohibited by any order of any court, tribunal or other authority under any law for the time being in force

Notice of refusal to  
transferee and transferor

53. If the Company refuses to register the transfer of any shares it shall **within 1 month** from the date on which the instrument of transfer is delivered to the Company send to the transferee and the transferor notice of the refusal.

No transfer to minor  
etc.

54. No transfer shall be made to the person who is of unsound mind.

Custody of transfer

55. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All the instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

Closure of Transfer  
Books

56. The Directors shall have power on giving 7 days' notice by advertisement as required by Section 154 of the Act to close the transfer books of the Company for such period or period of time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time as to them may seem fit.

Title to shares of  
deceased holder

57. The executors or administrators of a deceased Member or a holder of a Succession Certificate or other legal representation in respect of shares of a deceased Member where he was a sole or only surviving holder shall be the only person whom the Company will be bound to recognise as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognise such executors or administrators unless such executors or such holder is the holder of a Succession Certificate or other legal Administration or as the case may be, from a duly constituted Court in India. Provided that, in any case where the Directors in their absolute discretion think fit, the Directors may dispense with production of Probate or Letters of Administration or succession Certificate or other legal representation and under the next Article, register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased Member as a Member.

Registration of  
persons entitled to  
shares otherwise  
than by transfer  
(Transmission  
Clause)

58. Any person becoming entitled to any shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors shall require, either be registered as a Member in respect of such shares or may, subject to the regulations as to transfer in these presents contained, transfer such shares to some other person. This Article is in these presents referred to as "the Transmission Clause".

Refusal to register  
nominee

59. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Board may require  
evidence of  
transmission

60. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

61. No fee shall be charged for transfer of shares/debentures or for effecting transmission or for registering any letters of probate, letters of administration and similar other documents.

Fee transfer or  
transmission

62. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made of purporting to be made by the 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 give effect to any notice which may be given to them of any equitable title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

The Company not liable—  
for disregard  
of a notice

63. The provisions of these Articles shall mutatis mutandis, apply to the transfer of or the transmission by law of the right to Debentures of the Company.

Transfer of  
Debentures

#### CONVERSION OF SHARES INTO STOCK

64. The Directors, with the sanction of a resolution of the Company in General Meeting, may convert any paid up shares into stock and may convert any stock into paid up shares of any denomination. When any shares have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as and subject to which fully paid up shares in the Company's capital may be transferred or as near thereto as circumstances will admit.

Conversion of  
Shares into stock  
and reconversion

65. The stock shall confer on the holders thereof respectively the same privileges and advantages as regards participation in profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock is converted, but so that none of such privileges or advantages, except the participation in profits of the Company or in assets of the Company on a winding up, shall be conferred by any such shares aliquot part of stock as would not if existing in shares, have conferred such privileges or advantages. Such conversion shall not affect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid all the provisions herein contained shall, so far as circumstances shall admit, apply to stock as well as to shares.

Right of  
Stockholders



## INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Increase of capital

66. The Company may, from time to time, in General Meeting increase its share capital by the creation of new shares of such amount as it thinks expedient.

On what conditions new shares may be issued

67. The new shares (except such of them as shall be unclassified shares subject to the provision of Article 10) shall, subject to the provisions of the Act and these presents, be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall direct and if no direction be given, as the Directors shall determine and in particular such shares may be issued with a preferential or qualified rights to dividends and in distribution of assets of the Company and any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

Further issue of capital

68. The new shares (resulting from an increase of capital as aforesaid) may, subject to the provisions of the Act and these presents, be issued or disposed of by the Company in General Meeting or by the Directors under their powers in accordance with the provisions of Articles 8, 9, 10, 11 and the following provisions:-

- (A) (i) such new shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, the capital paid up on those shares at that date;
- (ii) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer, within which the offer, if not accepted, will be deemed to have been declined;
- (iii) the offer aforesaid shall be deemed to include a right exercisable by the persons concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in sub-clause (ii) shall contain a statement of this right;
- (iv) after the expiry of time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company;
- (B) Nothing in clause (iii) of sub-article (A) shall be deemed:-
  - (i) to extend the time within which the offer should be accepted; or
  - (ii) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

Shares under control of General Meeting

69. In addition to and without derogating from the powers for the purpose conferred on the Directors under Article 8 the Company in General Meeting may in accordance with the provisions of Section 81 of the Act

determine that any shares (whether forming part of the original capital of the Company or not) shall be offered to such persons (whether Members or holders of Debentures of the Company or not) in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, as such General meeting shall determine.

70. Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmissions, forfeiture, lien, surrender, voting and otherwise.

Same as original capital

71. On the issue of redeemable preference shares under the provisions of Articles 10 and 67 the following provisions shall take effect.

Provisions in case of redeemable preference shares

- (a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid up;
- (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account, before the shares are redeemed;
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of a company shall except as provided under Section 80 of the Act or by these presents apply as if the Capital Redemption Reserve Account were paid up share capital of the Company;
- (e) Subject to the provisions of Section 80 of the Act and this article the redemption of Preference Shares under these presents shall be effected in accordance with the terms and conditions of their issue and failing that in such manner as the Directors may think fit.

72. The Company may from time to time by Special Resolution reduce its share capital (including the Capital Redemption Reserve Account if any) in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may and if and so far as necessary alter its Memorandum of Association by reducing the amount of its share capital and of its shares accordingly.

Reduction of capital

73. The Company may in General Meeting by Ordinary Resolution alter the conditions of its Memorandum as follows:-

Division and sub-division

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- (b) Sub-divide shares or any of them into shares of smaller amount than originally fixed by the Memorandum of Association subject nevertheless to

the provisions of the Act in that behalf. Subject to these presents the resolution by which any shares are sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of such shares may be given any preference or advantage or otherwise over the others or any other such shares.

- (c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of the shares so cancelled.

#### MODIFICATION OF CLASS RIGHTS

Power to modify rights of different classes of shareholders and the rights of dissentient shareholders

74. (a) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class.

(b) This Article is not to derogate from any power the Company would have had if this Article were omitted and the right of the dissentient shareholders being holders of not less in the aggregate than 10 (ten) per cent of the issued shares of that class to apply to the Court to have the variations or modifications cancelled as provided in Section 107 of the Act.

#### JOINT HOLDERS

Joint holders

75. Where two or more persons are registered as the holders of any share the person first named in the Register shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in these Articles:

- (a) The Company shall be entitled to decline to register more than 4 persons as the joint holders of any share.
- (b) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
- (c) On the death of any such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and 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.
- (d) Any one of such joint holders may give effectual receipts for any dividends or other moneys payable in respect of such share.
- (e) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive document (which expression shall be deemed to include all documents mentioned in Article 192) from the Company and any notice given to or document served on such person shall be deemed service on all the joint holders.

- (f) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased Member in whose (deceased Member's) sole name any share stands shall for the purposes of this Clause be deemed joint holders.

### BORROWING POWERS

76 Subject to the provisions of Sections 58A, 292 and 293 of the Act, the Board of Directors may, from time to time, by a resolution passed at a Meeting of the Board accept deposits, or borrow moneys from members, either in advance of calls or otherwise or accept deposits from public and may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds perpetual or redeemable debentures or debenture stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the company (both present and future) including its uncalled capital for the time being.

Conditions on which money may be borrowed

77. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Bonds, Debentures etc., to be subject to control of Directors.

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

Securities may be assignable free from equities

79. Any bonds, debentures, debenture stock or other securities may be issued at a discount; premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of share, attending at General Meetings of the company, appointment of Director and otherwise.

Issued at discount, etc. or with special privilege

"Debenture/Bonds, Debenture Stock Bonds or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting".

80. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors may authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the Members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

Mortgage of uncalled capital

81. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company

Indemnity may be given



the Directors 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 to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Register of Charges  
to be kept

82. The Directors shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall duly comply with the requirements of the said act in regard to registration of mortgages and charges and in regard to inspection to be given to creditors or Members of the Register of Charges and of copies of instruments creating charges. Such sum as may be prescribed by the Act shall be payable by any person other than a creditor or Member of the Company for each inspection of the Register of Charges.

### MEETINGS

Annual General  
Meeting

83. (a) (i) The Company shall, in addition to any other meetings, hold a general meeting which shall be styled its "Annual General Meeting" at the intervals and in accordance with the provisions, specified below;

(ii) The first Annual General Meeting of the Company shall be held within eighteen months from the date of incorporation of the Company. The Annual General Meeting of the Company, subsequent to the First Annual General Meeting shall be held by the Company within six months after the expiry of the financial year in which the First Annual General Meeting was held; and thereafter an Annual General Meeting shall be held in each year by the Company within six months after the expiry of each financial year;

(iii) Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next;

(b) Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held either at the Registered Office of the Company or at some other place within the Union Territory of Delhi and the notices calling the meeting shall specify it as the Annual General Meeting.

Extra Ordinary  
General Meetings

84. All General Meetings other than Annual General Meetings shall be called Extra-Ordinary General Meetings.

Calling of  
Extra-Ordinary  
General Meeting

85. (a) The Board of Directors may, whenever they think fit, and shall, on the requisition of such number of Members of the Company as is hereinafter specified, forthwith proceed to call an Extra-Ordinary General Meeting of the Company and in case of such requisition the following provisions shall apply;

(b) The requisition shall set out the matters for the consideration of which the meeting is to be called shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company;

(c) The requisition may consist of several documents in like form, each signed by one or more requisitionists;

(d) The number of Members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the

deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter;

(e) Where two or more distinct matters are specified in the requisition, the provisions of sub-article (d) shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-article is fulfilled;

(f) If the Board does not, within 21 days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than 45 days from the date of the deposit of the requisition, the meeting may be called by such of the requisitionists as represent either majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in sub-article (d) whichever is less. However, for the purpose of this sub-article the Directors shall, in the case of a meeting at which a resolution is to be proposed as a Special Resolution give, such notice thereof as is required by the Act;

(g) A meeting called under sub-article (f) by the requisitionist or any of them:-

- (i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but
- (ii) shall not be held after the expiration of 3 months from the date of the deposit of the requisition; Provided that nothing contained in this sub-clause (ii) shall be deemed to prevent a meeting duly commenced before the expiry of the period of 3 months aforesaid, from adjourning to some day after the expiry of that period;

(h) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some only of them shall, for the purposes of this Article have same force and effect as if it had been signed by all of them;

(i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to call a meeting shall be reimbursed to the requisitionists by the Company; and any sum so reimbursed shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

86. (a) A General Meeting of the Company may be called by giving not less than 21 days notice in writing; Notice of Meeting

(b) A General Meeting may be called after giving shorter notice than that specified in sub-article (a) if consent is accorded thereto:-

(i) in the case of an Annual General Meeting by all the Members entitled to vote thereat, and

(ii) in the case of any other meeting by Members of the Company holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting.

Provided that where any Members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of this sub-article in respect of the former resolution or resolutions and not in respect of the latter.

Contents and manner of service of notice and persons on whom it is to be served

87. (a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting, and shall contain a statement of the business to be transacted thereat;

(b) Notice of every meeting of the Company shall be given:

(i) to every Member of the Company, in any manner authorised by Section 53 of the Act;

(ii) 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 representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and

(iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any Member or Members of the Company.

Omission to give notice not to invalidate the proceedings at the meeting

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

Business at the Annual General Meeting

88. (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:-

(i) the consideration of accounts, Balance-Sheet and reports of the Board of Directors and Auditors;

(ii) the declaration of a dividend;

(iii) the appointment of Directors in the place of those retiring; and

(iv) the appointment of, and the fixing of remuneration of the Auditors; and

(b) in the case of any other meeting all business shall be deemed special.

(c) 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 material facts concerning each such item of

business, including in particular the nature of the concern or interest, if any, therein, of every Director, and the Manager, if any.

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 Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty per cent of the paid-up capital of that other company.

(d) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

89. (1) A resolution shall be an Ordinary Resolution when at a General Meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or on a poll, as the case may be), in favour of the resolution (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by Members so entitled and voting.

Ordinary and  
Special Resolutions

(2) A resolution shall be a Special Resolution when:-

- (a) the intention to propose the resolution as a Special Resolution has been duly specified in the notice calling the General Meeting or other intimation given to the Members of the resolution;
- (b) the notice required under the Act has been duly given of the General Meeting; and
- (c) the votes cast in favour of the resolution (whether on a show of hands, or on a poll, as the case may be), by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, are not less than 3 times the number of the votes, if any, cast against the resolution by Members so entitled and voting.

90. (1) Where, by any provisions contained in the Act or in these presents, Special Notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than 14 days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.

Resolutions  
requiring Special  
Notice

(2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents, not less than seven days before the meeting.

#### PROCEEDINGS AT GENERAL MEETING

91. Five Members personally present shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum be present at the commencement of the business.

Quorum at General  
Meeting



Business confined to  
election of Chairman  
whilst chair vacant

92. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.

93. The Chairman of the Directors shall be entitled to take the Chair at every General Meeting. If there be no Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the Directors present may choose one of their member to act as Chairman of the meeting and in default of their doing so, the Members present shall choose one of the Directors to take the Chair and if no Directors present be willing to take the Chair, the Members present shall choose one of their number to be the Chairman of the Meeting.

Proceeding when  
quorum not present

94. If within half an hour after the time appointed for the holding of a General Meeting a quorum be not present the meeting if convened on the requisition of shareholders shall be dissolved and in any other case shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine. If at such adjourned meeting also a quorum be not present within half an hour from the time appointed for holding the meeting the Members present shall be a quorum and may transact the business for which the meeting was called.

Adjourned meeting

95. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place; but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. No notice of an adjourned meeting shall be necessary to be given unless the meeting is adjourned for more than 30 days.

What is to be  
evidence of the  
passing of resolution  
where poll not  
demanded

96. 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 on the show of hands) demanded in the manner hereinafter mentioned, 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 book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Demand for poll

97. (a) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf 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. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

(b) The demand for a poll may be withdrawn at any time by the person who made the demand.

Time of taking poll

98. (a) If a poll is demanded on the election of a Chairman or on a question of adjournment, it shall be taken forthwith and without adjournment.

(b) A poll demanded on any other question shall be taken at such time not being later than 48 hours from the time when the demand was made, as the Chairman may direct.

99. On a poll taken at a meeting of the Company, a Member entitled to more than one vote, or his proxy or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Rights of Member  
to use his votes  
differently

100. (a) 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;

Scrutineers at poll

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

(c) 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 that such a Member is available and willing to be appointed.

101. (a) 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;

Manner of taking poll  
and result thereof

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

102. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a Member.

Motion how decided  
in case of equality of  
votes

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

Demand for poll not  
to prevent transaction  
of other business

104. The Company shall cause minutes of all proceedings of General Meetings to be entered in books kept for that purpose. The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat. All appointments of officers made at any of the Meetings shall be included in the minutes of the Meetings. Any such minutes, if purporting to be signed by the Chairman of the Meeting at which the proceedings took place or in the event of the death or inability of that Chairman, by a Director duly authorised by the Board for the purpose, shall be evidence of the proceedings.

Minutes of General  
Meetings

105. The books containing minutes of proceedings of General Meetings of the Company shall be kept at the Registered Office of the Company and shall be open to the inspection of any Member without charge, between 11 a.m. and 1 p.m. on all working days.

Inspection of Minute  
Books

106. Any Member shall be entitled to be furnished within 7 days after he had made a request in that behalf to the Company with a copy of any minutes referred to above at such charge as may be prescribed by the Act.

Copies of Minutes

## VOTES OF MEMBERS

107. (1) Upon a show of hands every Member entitled to vote and present in person or by attorney or proxy shall have one vote.

(2) Upon a poll every Member who being an individual is present in person or by attorney or by proxy or being a Corporation is present by a representative or proxy shall have a voting right in proportion to his share of the paid up equity capital of the Company.

Provided that in the event of the Company issuing Preference Shares, the holders of such Preference Shares shall have no right to vote either in person or by proxy, at any General Meeting by virtue or in respect of their holdings of Preference Shares, unless the preferential dividend due on such Preference Shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than 2 years preceding the date of commencement of the Meeting or unless a resolution is proposed directly affecting the rights or privileges attached to such Preference Shares;

For the purpose of this Article:-

(a) Any resolution for winding-up the Company or for the repayment or reduction of its share capital shall be deemed directly to affect the rights attached to Preference Shares.

(b) Dividend shall be deemed to be due on Preference Shares in respect of any period whether a dividend has been declared by the Company on such shares for such period or not —

(i) On the last day specified for the payment of such dividend for such period in the Article or other instrument executed by the Company in that behalf;

OR

(ii) In case no day is so specified, on the day immediately following such period.

Voting by  
Corporations

108. Any Member who is a Corporation present by a representative duly authorised by a resolution of the Directors or other governing body of such Corporation in accordance with the provisions of Section 187 of the Act may vote on a show of hands as if it was a Member of the Company. The production at the Meeting of a copy of such resolution duly signed by one Director of such Corporation or by a Member of its governing body and certified by him as being a true copy of the resolution shall on production at the Meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

No Member to vote  
unless calls are paid  
up

109. Subject to the provisions of the Act no Member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or as a proxy or attorney for any other Member or be reckoned in a quorum whilst any call or other sum shall be overdue and payable to the Company in respect of any of the shares of such Member for more than one month.

Votes in respect of  
shares of deceased  
insolvent Members

110. Any person entitled under the Transmission Clause (Article 58 hereof) to transfer any shares may vote at General Meetings in respect thereof as

if he was the registered holder of such shares provided that atleast 48 hours before the time of holding the Meeting or adjourned Meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

111. (a) Any Member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting;

Qualification of  
Proxy

(b) In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member.

112. Votes may be given either personally or by attorney or by proxy or in the case of a Corporation also by a representative duly authorised as aforesaid.

Votes may be given  
by proxy or attorney

113. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney or if such appointor is a company or corporation under its common seal or under the hand of a person duly authorised by such company or corporation in that behalf, or under the hand of its attorney who may be the appointor.

Execution of  
instrument of proxy

114. No person shall act as proxy unless the instrument of his appointment and the power of attorney or other authority if any under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office atleast 48 hours before the time for holding the meeting at which the person named in the instrument of proxy proposes to vote and in default the instrument appointing the proxy shall not be treated as valid. No attorney shall be entitled to vote unless the Power of Attorney or other instrument appointing him as attorney or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than 48 hours before the time of the meeting at which the attorney proposes to vote or is deposited at the Office not less than 48 hours before the time of such meeting as aforesaid. Notwithstanding that a Power of Attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the Member or the attorney at least 7 days before the date of a meeting require him to produce the original Power of Attorney or authority and unless the same is thereupon deposited with the Company not less than 48 hours before the time fixed for the meeting the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit. Every Member entitled to vote at a meeting of the Company or on any resolution to be moved thereat shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the Company provided that not less than 3 days notice in writing of the intention so to inspect is given to the Company.

Deposit of  
instrument of  
appointment and  
inspections

115. If any such instrument of appointment be confined to the object of appointing a proxy or substitute for voting at meeting of the Company it shall remain permanently or for such time as the Directors may determine, in the

Custody of the  
instrument



custody of the Company, and 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.

Instrument appointing proxy

116. Every instrument of proxy whether for a specified meeting or otherwise shall be in writing under the hand of the appointer or his attorney authorised in writing or if such appointer is a Corporation, under its Common Seal or the hand of an officer or an attorney duly authorised by it and shall as nearly as circumstances will admit be in the form specified in Schedule IX of the Act.

Validity of votes given by proxy notwithstanding death of Members, etc.

117. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death revocation or transfer shall have been received at the office before the meeting.

Time for objections to votes

118. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy 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

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

Equal rights of Members

120. Any Member whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.

## DIRECTORS

Number of Directors

121. The number of Directors shall not be less than 3 or more than 15 including the Nominee Directors of the Government of India/Reserve Bank of India and Debenture Director (if any).

122. The persons hereinafter named are the present Directors of the Company.

1. Shri Dharmendar Nath Davar
2. Shri Sudarshan Kumar Rishi
3. Shri Vempati Siva Rama Krishna Sastry

Nominee Directors

\*123 (i) The Reserve Bank of India shall have the right to appoint one Director of the Company. The Directors appointed under this Article are herein referred to as "the Nominee Directors" and the term "Nominee Directors" means the Directors for the time being in office under this Article. The Nominee Directors shall not be liable to retire by rotation or be removed from the office except by the authority appointing them but he shall not be counted in determining the number of retiring

directors. Subject as aforesaid the Nominee Directors shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

\*(ii) If the Company issues debentures or bonds or such other debt instruments, the debenture trustee(s) shall have the right to appoint a Director (in these presents referred to as Debenture Nominee Director) on the Board of the Company and to remove from office any Debenture Nominee Director in accordance with provisions of the Companies Act 2013, SEBI Regulations, applicable law, regulatory or listing requirements and terms and conditions of such debenture documents. Any such nomination for appointment or removal of nominee shall be served in writing and the Board of Directors of the Company shall appoint the person as nominated by the debenture trustees. The Debenture Nominee Director shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in office for so long as the debt subsists. Subject as aforesaid the Debenture Nominee Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the Company.

Debenture Nominee Director

124. (a) Subject to Sec. 313 of the Act, the Board of Directors may appoint an Alternate Director to act for a Director (hereinafter in this Article called "the original Director") at his suggestion or otherwise, during his absence for a period of not less than 3 months from the State in which meetings of the Board are ordinarily held;

Alternate Director

(b) An Alternate Director appointed under sub-article (a) shall not hold office as such for a period longer than 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;

(c) 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.

125. No Director shall be required to hold any share or qualification shares of the Company.

Qualification of Director

126. Each Director shall be paid out of the funds of the Company by way of sitting fees for his services a sum not exceeding Rs. 250/- or such higher amount subject to the ceiling prescribed in the Act or by the Central Government from time to time, for each Meeting of the Board attended by him. No Director who is a Government servant shall be entitled to receive any remuneration under this Article or under any other provisions of these presents except as authorised by the Government.

Remuneration of Directors

127. Subject to the provisions of Article 126 in the case of a Government servant the Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending a meeting such sum as the Directors may consider fair compensation for travelling, hotel and other expenses in addition to his remuneration as above specified and the Directors may, from time to time, fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these presents and may pay the same.

Directors not bonafide residents of the place where a meeting is held, may receive extra compensation

128. Subject to the provisions of Article 126 in the case of a Government servant if any Director, being willing, shall be called upon to perform extra

Special remuneration to Director going out

services or to make any special exertions in going out or residing at a particular place or otherwise for any of the purposes of the Company, the Company may remunerate such Director either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for, his remuneration above provided.

Directors may fill up vacancy; duration of office of Directors appointed to vacancy

129. The Directors shall have power at any time and from time to time to appoint subject to the provisions of these presents any person as a Director either to fill a casual vacancy or as an additional Director to the Board but so that the total number shall not at any time exceed the maximum number fixed as above; but any Director so appointed as an additional Director shall hold office only upto the date of the next following Annual General Meeting of the Company and shall then be entitled for re-election and any Director so appointed to fill a casual vacancy 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.

Directors may act notwithstanding vacancy

130. Subject to the provisions of the Act, the continuing Directors may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum number fixed the Directors shall not except in emergencies or for the purpose of filling up vacancies or for summoning a General Meeting of the Company act so long as the number is below the minimum and they may so act notwithstanding the absence of a necessary quorum under the provisions of Article 148.

Directors vacating office

131. (1) Subject to the provision of Section 283 (2) of the Act, the office of a Director shall become vacant if :

- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (b) he applies to be adjudicated an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) 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.
- (e) he fails to pay any calls in respect of shares held by him alone or jointly with others within 6 months from the last date fixed for the payment of such calls made unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or
- (f) he absents himself from 3 consecutive meetings of the Directors or from all meetings of the Directors for continuous period of 3 months whichever is the longer without leave of absence from the Board of Directors; or
- (g) 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 guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or

- (h) he acts in contravention of Section 299 of the Act; or
  - (i) he becomes disqualified by an order of the Court; or
  - (j) he is removed in pursuance of Section 284 of the Act by an Ordinary Resolution of the Company before the expiry of his period of office; or
  - (k) he resigns office by notice in writing addressed to the Company or to the Directors; or
  - (l) he, his relative or partner or any firm in which he or his relative is a partner or any private company of which he is a Director or Member holds any office of profit under the Company or any subsidiary hereof in contravention of Section 314 of the Act, or
  - (m) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
- (2) Notwithstanding anything in clauses (c), (d) and (i) of sub-article (1), the disqualification referred to in those clauses shall not take effect;
- (a) For 30 days from the date of adjudication or sentence or order;
  - (b) Where any appeal or petition is preferred within the 30 days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of 7 days from the date on which such appeal or petition is disposed of; or
  - (c) Where within the 7 days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

132. (a) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors.

Disclosure of  
interest by Director

(b) (i) In the case of a proposed contract or arrangement the disclosure required to be made by a Director under sub-article (a) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting, concerned or interested in the proposed contract or arrangement at the first meeting of the Board held after he becomes so concerned or interested;



(ii) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(c) (i) For the purpose of sub-articles (a) and (b), a general notice given to the Board by a Director, to the effect that he is a Director or a Member of a specified body corporate or is a Member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made;

(ii) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further periods of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire;

(iii) No such general notice, and no renewal thereof shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(d) Nothing in this Article shall be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contracts or arrangements with the Company.

(e) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any of the Directors of the Company or two or more of them together holds or hold not more than 2 (two) per cent of the paid-up share capital in the other company.

Interested Director  
not to participate or  
vote in Board's  
proceedings

133. (1) No Director of the Company shall, as a Director, take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

(2) This Article shall not apply to:-

(a) any contract of indemnity against any loss which the Directors or any one or more of them may 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 consists solely:-

(i) in his being a Director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Direc-

tor thereof, he having been nominated as such Director by the Company, or

- (ii) in his being a member holding not more than two per cent of the paid-up share capital of such other company.

134. A Director of this Company may be, or become a Director of any company promoted by this Company, or in which it may be interested as a vendor, member or otherwise and subject to the provisions of the Act and these presents no such Director shall be accountable for any benefits received as Director or member of such company.

Directors may be Directors of companies promoted by the Company

#### ROTATION OF DIRECTORS

135. At every Annual General Meeting of the Company other than the First Annual General Meeting one-third of such of the Directors for the time being as are liable to retire by rotation or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office.

Directors to retire annually how determined

136. The Directors to retire by rotation at every Annual General Meeting shall be those (other than the Nominee Directors and Debenture Director) who have been longest in office since their last appointment, but as between persons who became Directors on the same day those who are to retire shall (unless they otherwise agree among themselves) be determined by lot.

Which Directors to retire

137. A retiring Director shall be eligible for re-election.

Retiring Director eligible for re-election

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

Company to fill up vacancy

139. 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, and if at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:-

Retiring Directors to remain in office till successors appointed

- (i) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether Special or Ordinary, is required for his appointment by virtue of any provisions of the Act;
- (v) the proviso to sub-article (2) of Article 140 or sub-article (3) of Article 140 is applicable to the case.

Appointment of  
Directors to be voted  
on individually

140. (1) At every Annual General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of sub-article (1) of this Article shall be void whether or not objection was taken at the time to its being so moved; Provided that where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply.

(3) For the purposes of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

Right of persons  
other than retiring  
Directors to stand  
for Directorship

141. (1) No person, not being a retiring Director, shall be eligible for election to the Office of Directors at any General Meeting, unless he or some other Member intending to propose him has, at least 14 clear days before the meeting, left at the Office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office, as the case may be, 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 a candidate for that office by serving individual notices on the Members not less than seven days before the Meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

Removal of  
Directors

142. (a) The Company may by Ordinary Resolution remove a Director, (not being a Nominee Director or Debenture Director) before the expiry of his period of office;

(b) Special Notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

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

(d) 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 Members of the Company, the Company shall, unless the representations are received by it too late for it to do so:-

- (i) in any notice of the resolution given to Members of the Company, state the fact of the representations having been made, and
- (ii) 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 sub-article are being abused to secure needless publicity for defamatory matter.
- (e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, 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 has been given under sub-article (b) of this Article. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.
- (f) If the vacancy is not filled under sub-article (e) of this Article, it may be filled as a casual vacancy in accordance with the provisions so far as they may be applicable of Article 129 and all the provisions of that Article shall apply accordingly; Provided that the Director who was removed from office shall not be re-appointed as a Director by the Board of Directors.

#### PROCEEDINGS OF DIRECTORS

143. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit; Provided however that a meeting of the Board of Directors shall be held at least once in every 3 calendar months; and at least 4 such meetings shall be held in every calendar year.

Meeting of Directors

144. The Chairman may at any time and the Manager or such other Officer of the Company as may be authorised by the Directors shall upon the request of a Director convene a meeting of the Directors.

When meeting to be convened

145. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.

Notice of Meetings

146. The Directors may elect their Chairman and determine the period for which he is to hold office. All meetings of the Directors shall be presided over by such Chairman if present, but if at any meeting of Directors the Chairman be not present, at the time appointed for holding the same, then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

Chairman of Board of Directors



Question at Board meeting how decided

147. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the meeting (whether the Chairman appointed by virtue of these presents or the Director presiding at such meeting) shall have a second or casting vote.

Quorum and its competence to exercise powers

148. The quorum for a meeting of the Board of Directors of the Company 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 meeting, the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time; and Provided Further that the aforesaid proviso shall not be applicable when any contract or arrangement is entered into by or on behalf of the Company with a Director or with any firm of which a Director is a Member or with any private company of which a Director is a Director or Member for —

(a) the underwriting or subscription of shares or debentures of the Company; or

(b) the purchase or sale of shares or debentures of any other Company; or

(c) a loan by the Company.

For the purpose of this Article:-

(i) "total strength" means the total strength of the Directors of the Company as determined in pursuance of the Act, after deducting therefrom the number of the Directors, if any, whose places may be vacant at the time;

(ii) "interested Director" means any Director whose presence cannot by reason of Article 133 or any other provisions in 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.

Procedure where meeting adjourned for want of quorum

149. (a) If a meeting of the Board could not be held for want of quorum, then, unless the Directors present at such meeting otherwise decide, the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday at the same time and place.

(b) The provisions of Article 143 shall not be deemed to have been contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms of that Article could not be held for want of quorum.

Directors may appoint Committee

150. The Directors may subject to the provisions of the Act delegate any of their powers to Committees consisting of such member or members of their body as they think fit, and they may, from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Directors.

151. The meetings and proceedings of any such Committee shall be governed by the provisions of these presents for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

Meetings of Committees how to be governed

152. All acts done by any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall be valid notwithstanding that it may be afterwards discovered that the appointment of any one or more of such Directors or of any person acting as aforesaid, was invalid by reason of defect or disqualification or had terminated by virtue of any provision contained in the Act or these presents; Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Acts of Board or Committees valid notwithstanding defect of appointment

153. 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.

Resolution by Circular

154. The Company shall cause minutes of Meetings of the Board of Directors and all Committees of the Board to be duly entered in a book or books provided for that purpose. The minutes shall contain :-

Minutes of proceedings of Directors and Committees

- a) a fair and correct summary of the proceedings at the Meeting;
- b) the names of the Directors present at the Meeting of the Board of Directors or of any Committee of the Board;
- c) all orders made by the Board and Committee of the Board and all appointments of Officers and Committees of Directors;
- d) all resolutions and proceedings of Meetings of the Board and the Committees of the Board; and
- e) in the case of each resolution passed at a Meeting of the Board or Committee of the Board, the names of the Directors, if any, dissenting from, or not concurring in, the resolution.

155. Any minutes of any Meeting of the Board or of any Committee of the Board, if purporting to be signed by the Chairman of such Meeting or by the Chairman of the next succeeding meeting shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.

By whom Minutes to be signed and the effect of such Minutes

156. The Directors shall comply with the provisions of Sections 159, 271, 282, 295, 297, 299, 303, 305, 307 and 308 of the Act.

Provisions of the Act to be complied with

#### POWERS OF DIRECTORS

157. Subject to the provisions of the Act and these presents the business of the Company shall be managed by the Directors who may exercise all such powers and

General Powers of Company vested in Directors

do all such acts and things as the Company is by its Memorandum of Association or otherwise authorised to exercise and do and are not by these presents or by statute directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and of the Memorandum of Association and these presents and to any regulations not being inconsistent with the Memorandum of Association and these presents from time to time made by the Company in General Meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Certain powers to be exercised by Board Meeting only

158. The Board shall exercise the following powers on behalf of the Company, and it shall do so only by means of resolutions passed at its Meetings:-

- (a) the power to make calls on shareholders in respect of money unpaid on their shares;
- (b) the power to issue debentures;
- (c) the power to borrow moneys otherwise than by debentures;
- (d) the power to invest the funds of the Company; and
- (e) the power to make loans;

Provided that a Board may, by a resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager, or any other principal Officer of or in the case of a branch office of the Company the principal officer of the branch office of the Company the powers specified in clauses (c), (d) and (e) to the extent specified in Section 292 of the Act.

Consent of Company necessary for exercise of certain powers

159. The Board shall not except with the consent of the Company in General Meeting:-

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;
- (b) remit, or give time for there-payment of, any debt due by a Director;
- (c) invest, otherwise than in trust securities; the sale proceeds resulting from the acquisition, without the consent of the Company, of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose; or

- (e) contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed Rs. 25,000/-; (Rupees twenty five thousand) or 5 (five) per cent of its average net profits as determined in accordance with the Act during the 3 financial years immediately preceding, whichever is greater.

160. Without prejudice to the general powers conferred by Article 157 and the other powers conferred by these presents but subject however to the provisions of the Act, it is hereby expressly declared that the Directors shall have the following powers:-

Specific powers  
given to Directors

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. To pay preliminary expenses etc.
- (2) To have an Official Seal for use abroad.
- (3) To keep Foreign Register in accordance with the provisions of the Act.
- (4) to purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.
- (5) At their discretion to pay for any property or rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash, or in shares, bonds, debentures, debenture stock 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, debenture stock or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged. To pay for property
- (6) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell assign surrender or discontinue any policies of assurance effected in pursuance of this power. To insure properties
- (7) To open accounts with any bank or bankers or with any company firm or individual and to pay money into and draw money from any such account from time to time as the Directors may think fit. To open bank accounts
- (8) 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 for the time being or in such other manner as they think fit. To secure contracts



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|---|--|
| To attach conditions                      | (9) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit.  |
| To accept surrender of shares etc.        | (10) To accept from any Member on such terms and conditions as shall be agreed a surrender of his shares or stocks or any part thereof.  |
| To appoint Trustees                       | (11) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such acts and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.                                  |
| To institute and defend legal proceedings | (12) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debt due or of any claims or demands by or against the Company.   |
| To refer to arbitration                   | (13) To refer any claim or demand by or against the Company to arbitration and observe and perform the awards.   |
| To act in matters of bankruptcy           | (14) To act on behalf of the Company in all matters relating to bankrupts and insolvents.  |
| To give receipts                          | (15) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.   |
| To authorise enquiry of bills etc.        | (16) To determine, from time to time, who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents.  |
| To invest moneys                          | (17) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such securities and in such manner as they may think fit and from time to time, to vary or realise such investments.   |
| To give security by way of indemnity      | (18) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.            |
| To give interest by way of commission     | (19) To give to any Director, Officer or other person employed by the Company an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as a part of the working expenses of the Company; Provided that the shares of |

general profits of the Company payable to the Directors or to the Officers of the Company shall not exceed in the aggregate a sum equivalent to 3 (three) per cent of the net profits of the Company as determined in accordance with the provisions of Sections 349 and 350 of the Act; Provided Further that this limitation or restriction on the percentage of net profits shall not be applicable to any distribution of a general bonus to employees of the Company.

- (20) To provide for the welfare of employees or ex-employees of the Company and the wives, and families or the dependants or connections of such persons, by building or contributing to the building of houses or dwellings or by grants of money pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds 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 Company shall think fit.
- To provide for welfare of employees etc.
- (21) Subject to the provisions of Article 159 to subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition or to any institution, club, society or fund.
- To subscribe for Charitable fund etc.
- (22) The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they may think proper for Depreciation or to a Depreciation Fund or as Reserve or to a Reserve Fund or Sinking Fund or any Special Fund to meet contingencies or to repay Redeemable Preference Shares or Debentures or for payment of dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company, or for such other purposes as the Directors may in their absolute discretion think conducive to the interests of the Company; and the Directors may invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by the Act) as the directors 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 Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same, or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and the Directors may divide the Reserve or any Fund into such special funds and transfer any sum from one Fund to another as the Directors may think fit, and may 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 or Debentures and that without being bound to keep the same separate from the other assets, and without being bound to pay interest on the same, with power however to the Directors at their discretion to pay or allow to the credit of such fund
- To establish Reserve Fund

interest at such rate as the Directors may think proper, not exceeding 5 (five) per cent per annum.

To appoint officers  
etc.

- (23) To appoint and at their discretion remove or suspend such committee or committees of experts, technicians or advisers or such Managers, Officers, clerks, employees, and agents for permanent, temporary or special services as they may, from time to time, think fit, and to determine their powers and duties and fix their salaries and emoluments and require security in such instances and to such amounts as they may think fit, and also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit and the provisions contained in sub-articles 26 and 27 following shall be without prejudice to the general powers conferred by this sub-article.

To ensure compliance  
of local laws

- (24) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

To establish Local  
Boards

- (25) From time to time and at any time, to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of any Local Boards and to fix their remuneration. And from time to time and at any time, but subject to the provisions of Section 292 of the Act and Article 150 to delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Directors, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation. Any such delegates may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

To appoint attorneys

- (26) At any time and from time to time but subject to the provisions of Section 292 of the Act and Article 150 by Power of Attorney to appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may, from time to time, think fit and any such appointment (if the Directors think fit) may be made in favour of the members or any of the members of any Local Board established as aforesaid, or in favour of any company or the members, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors, and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Directors may think fit.

(27) Subject to the provisions of the Act and these Articles to delegate the powers, authorities, and discretions vested in the Directors to any persons, firm, company or fluctuating body of persons as aforesaid. Delegation of Powers

(28) Any such delegate or attorney as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him. Sub Delegation of Powers by Delegatee

(29) 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 they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company. To enter into Contracts

#### MANAGING DIRECTOR

161. (a) Subject to the provisions of the Act, the Directors may, from time to time, appoint or re-appoint one or more of their body to be the Managing Director or Directors or the whole time Director or Directors of the Company for such term not exceeding five years and subject to such remuneration, terms and conditions as they may think fit. Managing Director

(b) Subject to the provisions of the Act, the Directors may, from time to time, entrust to and confer upon the Managing Director or the whole time Director, for the time being, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as they think expedient, and they may confer such powers, either collaterally with or to the exclusion of and in substitution for, all or any of the powers of the Directors, in that behalf, and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

(c) Subject to the provisions of the Act, Managing Director, Whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 135. If he ceases to hold the office of a Director for any cause whatsoever he shall *ipso facto* and immediately cease to be the Managing/Whole time Director.

#### THE SEAL

162. The Directors shall provide a Common Seal for the purpose of the Company, and shall have power, from time to time, to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors and in the presence of one Director at the least, who shall sign every instrument to which the Seal is affixed: Provided that certificates of shares may be under the signatures of such persons as provided by the Companies (Issue of Share Certificates) Rules 1960 in force from time to time. Save as otherwise expressly provided by the Act a document or proceeding requiring authentication by the Company may be signed by a Director, or the Secretary or any other officer authorised in that behalf by the Board and need not be under its Seal. The Seal, its custody and use



Seal abroad

163. The Company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors.

## DIVIDENDS

Division of profits

164. The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum or these presents and subject to the provisions of the Act, and these presents shall be divisible among the Members in proportion to the amount of capital paid up on the shares held by them respectively.

Capital paid up in advance at interest not to earn dividend

165. Where capital is paid up in advances of calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right (to dividend or) to participate in profits.

Dividends in proportion to amount paid up

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

The Company in General Meeting may declare a dividend

167. The Company in General Meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits and may fix the time for payment.

No large dividend than recommended by Directors, etc.

168. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend, subject to the provisions of Section 205 of the Act, and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim dividend

169. The Directors may, from time to time, pay to the Members such interim dividends as in their judgement the position of the Company justifies.

Retention of dividends until completion of transfer under Article 58.

170. The Directors may retain the dividends payable upon shares in respect of which any person is, under Article 58 hereof, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.

No Member to receive dividend whilst indebted to the Company and Company's right of reimbursement thereout.

171. Subject to the provisions of the Act, 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 Directors may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

Transfers of shares must be registered

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

Dividends how remitted

173. Unless otherwise directed any dividend may be paid 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 that one of them first named in the Register in respect of the joint holding. Every such cheque 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 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.

174 (a) If the Company has declared a dividend but which has not been paid or claimed within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any Scheduled Bank called "the unpaid dividend account of Tourism Finance Corporation of India Limited" and deposit the amount of such unpaid or unclaimed dividend in the said account.

Unclaimed  
dividends

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be referred to the Central Government by the Shareholders to whom the money is due. No unclaimed dividend shall be forfeited till the claim thereto becomes barred by law.

175. Any General Meeting declaring a dividend may make a call on the Members in respect of moneys unpaid on shares for 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 Members, be set off against the call.

Dividends and call  
together

176. No dividend shall be payable except in cash : Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the Members of the Company.

Special Provision in  
reference to dividend

"No unclaimed dividends shall be forfeited by the Board and the Company shall comply with the provisions of Section 205A of the Companies Act in respect of such dividends."

### CAPITALISATION

177. Any General Meeting may resolve that any moneys investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and [where permitted by law] from the appreciation in value of any capital assets of the Company) standing to the credit of the Reserve or Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the share premium account be capitalised:-

Capitalisation

- (1) by the issue and distribution as fully paid up shares, debentures, debenture-stock, bonds or other obligations of the Company, or
- (2) by crediting shares of the Company which may have been issued to and are not fully paid up, with the whole or any part of sum remaining unpaid thereon.

Such issue and distribution under (1) above and such payment to the credit of unpaid share capital under (2) above shall be made to, among and in favour of the Members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital

paid up on the shares held by them respectively in respect of which such distribution under (1) or payment under (2) above shall be made on the footing that such Members become entitled thereto as capital.

The Directors shall give effect to any such resolution and apply such portion of the profits or Reserve or Reserve Fund or any other Fund on account as aforesaid and may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under (1) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under (2) above: Provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such Members as aforesaid in full satisfaction of their interest in the said capitalised sum. For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any Members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangements for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit. Subject to the provisions of the Act and these presents, in cases where some of the shares of the Company are fully paid up and others are partly paid up only such capitalisation may be effected by the distribution of further shares in respect of the fully paid up shares, and by crediting the partly paid up shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid up shares, and the partly paid up shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid up shares shall be so applied *pro rata* in proportion to the amount then already paid or credited as paid on the existing fully paid up and partly paid up shares respectively. When deemed requisite a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the Company which shall have been issued prior to such capitalisation and such appointment shall be effective.

## ACCOUNTS

### Accounts

178. The Directors shall cause true accounts to be kept of (a) all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place (b) all sales and purchases of goods by the Company and (c) the assets, credits and liabilities of the Company, and of all its commercial, financial and other affairs, transactions and engagements and of all other matters, necessary for showing the true financial state and condition of the Company, and the accounts shall be kept in English in such manner as the Directors may deem fit; and the books of accounts shall be kept at the Office or such other place or places in India as the Directors think fit, and shall be open to inspection by the Directors during business hours.

179. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any Account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

Inspection by  
Members of  
accounts and books  
of the Company

180. Once at least in every calendar year the Directors shall lay before the Company in Annual General Meeting a Profit and Loss Account for the period since the preceding account and a Balance Sheet containing a summary of the property and liabilities of the Company made up to a date not more than 6 months before the meeting or in case where an extension of time has been granted for holding the meeting upto such extended time and every such Balance Sheet shall as required by Section 217 of the Act, be accompanied by a Report (to be attached thereto) of the Directors as to the state and condition of the Company, and as to the amount (if any) which they recommend to be paid out of the profits by way of dividends and the amount (if any) set aside by them for the Reserve Fund, General Reserve or Reserve Account shown specifically in the Balance Sheet or to be shown specifically in a subsequent Balance Sheet.

Statement of  
Accounts and  
Report to be  
furnished to General  
Meeting, Balance  
Sheet to be served  
on every Member

181. Every Balance Sheet and Profit and Loss Account of the Company shall give a true and fair view of the state of affairs of the Company and shall, subject to the provisions of Section 211 of the Act, be in the Forms set out in Part I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit.

Form and contents  
of Balance Sheet  
and Profit and Loss  
Account

182. The Balance Sheet and the Profit and Loss Account shall be signed by 2 Directors or when only one Director is for the time being in India by such Director and by the Manager or Secretary. The Balance Sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon. The Auditors' Report shall be attached to the Balance Sheet and the Profit and Loss Account or there shall be inserted at the foot of the Balance Sheet and Profit and Loss Account a reference to the Report. A copy of such Balance Sheet and the Profit and Loss Account so audited together with a copy of the Auditor's Report shall, at least 21 days before the meeting at which the same are to be laid before the Members of the Company, subject to the provisions of Section 219 of the Act, be sent to every Member of the Company and every debenture-holder of whose address the Company is aware and a copy of the same shall be deposited at the Office for inspection by the Member of the Company during a period of at least 21 days before that meeting.

Authentication of  
Balance Sheet and  
other documents —  
Copies thereof to be  
sent to Members

183. After the Balance Sheet and Profit and Loss Account have been laid before the Company at a General Meeting, 3 copies thereof signed by the Manager or Secretary or as required by Section 220 of the Act shall be filed with the Registrar together with the requisite Returns in accordance with the requirements of Sections 159 and 161 of the Act.

Copies of Balance  
Sheet and Profit and  
Loss Account of the  
Company and Auditors  
Report shall be filed  
with the Registrar of  
Companies.

#### AUDIT

184. Once at least in every year the accounts of the Company shall be balanced and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditor or Auditors.

Accounts to be  
audited



Appointment and  
qualification of  
Auditors

185. The Company at each Annual General Meeting shall appoint an Auditor or Auditors being a Chartered Accountant or Accountants to hold office until the next Annual General Meeting and the following provisions shall have effect, that is to say:—

- (1) If an appointment or reappointment of an Auditor or Auditors is not made at an Annual General Meeting the Company shall, within 7 days thereof, give notice of that fact to the Central Government who may appoint an Auditor of the Company for the current year, and fix the remuneration to be paid to him by the Company for his services.
- (2) The Directors may fill up any casual vacancy that may occur in the office of Auditor by the appointment of a person being a Chartered Accountant who shall hold such office until the conclusion of the next Annual General Meeting but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act; Provided that where such vacancy is caused by the resignation of the Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (3) A body corporate, a Director, Officer or employee of the Company, or a partner of or person in the employment of such Director, Officer or employee or any person, indebted to the Company for an amount exceeding Rs. 1,000/- (Rupees One thousand) or who has given any guarantee or provided any security in connection with the indebtedness of any third person to the Company for an amount exceeding Rs. 1,000/- (Rupees One thousand) shall not be appointed Auditor of the Company.
- (4) If any person after being appointed Auditor becomes disqualified under sub-article (3) he shall be deemed to have vacated his office.
- (5) Retiring Auditors shall subject to the provisions of sub-section (2) of Section 224 of the Act be reappointed.
- (6) No person other than a retiring Auditor shall be capable of being appointed to the office of Auditor at any Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than 14 days before the Meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall be complied with. The provisions of this sub-article shall also apply to a resolution that a retiring Auditor shall not be reappointed.

Remuneration of  
Auditors

186. The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting except that the remuneration of any Auditors appointed to fill any casual vacancy, may be fixed by the Directors and where his appointment has been made by the Central Government pursuant to sub-article (1) of the last preceding Article 187 it may be fixed by the Central Government.

187. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanations as may be necessary for the performance of the duties of the Auditors and the Auditors shall make a report to the shareholders on the accounts examined by them, and on every Balance Sheet and Profit and Loss Account and every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in General Meeting during their tenure of office, and the report shall state whether, in their opinion and to the best of their information and according to the explanations given to them, the said Accounts give the information required by the Act in the manner so required and give a true and fair view: (i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year and (ii) in the case of the Profit and Loss Account of the profit or loss for its financial year. The Auditors' Report shall also state: (a) whether they had obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purpose of their audit; (b) whether, in their opinion, proper books of account as required by law have been kept by the Company so far as it appears from the examination of those books and proper Returns adequate for the purpose of their audit have been received from the branches not visited by them; and (c) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account and Returns; where any of the matters referred to in items (i) and (ii) or (a), (b) and (c) aforesaid is answered in the negative or with a qualification the Auditors' Report shall state the reason for the same. The Auditors' Report shall be attached to the Balance Sheet and Profit and Loss Account or set out at the foot thereof and such Report shall be read before the Company in Annual General Meeting and shall be open to inspection by any Member of the Company.

Auditors : their powers and duties and their Report

188. All notices of, and other communications relating to, any General Meeting of a Company which any Member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company; and the Auditors shall be entitled to attend any General Meeting and to be heard at any General Meeting which they attend on any part of the business which concerns them as Auditors.

Auditors' right to attend Meetings

189. Every account when audited and approved by an Annual General Meeting shall be conclusive except as regards any error discovered therein within 3 months after the approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and thenceforth shall be conclusive.

Accounts when audited and approved to be conclusive except as to errors discovered within 3 months

#### NOTICES

190. (1) A notice (which expression for the purposes of these presents shall be deemed to include and shall include any summons, notice, process, order, judgement or any other document in relation to or in the winding up of 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 India supplied by him to the Company for the giving of notices to him.

Notice

(2) Where a document (which shall for this purpose be deemed to include any summons, requisition, process order, judgement or any other documents in relation to the winding up of the Company) or a notice is sent by post, the service of such notice shall be deemed to be effected by properly addressing,

prepaying and posting a letter containing the notice Provided that where a Member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post, with or without acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member; and, unless the contrary is proved, such service shall be deemed to have been effected in the case of a notice of a Meeting at the expiration of 48 hours after the letter containing the same is posted, and in any other case, at the time at which the letter would have been delivered in the ordinary course of post.

Notice on Members having no registered address

191. If a Member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly given to him on the day on which the advertisement appears.

Notice on persons acquiring shares on death or insolvency of Member

192. A notice 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 pre-paid letter addressed to them by name or by the title of representatives 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.

Persons entitled to notice of General Meetings

193. Notice of every General Meeting shall be given in same manner hereinbefore authorised to (a) every Member of the Company (including bearers of share warrants), (b) every person entitled to a share in consequence of the death or insolvency of a Member who but for his death or insolvency would be entitled to receive notice of the meeting and also to (c) the Auditor or Auditors of the Company.

Notice by Company and signature thereto

194. Any notice to be given by the Company shall be signed by the Secretary (if any) or by such Officer as the Directors may appoint. Such signature may be written, printed or lithographed: ..

Transferee etc. bound by prior notices

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

Notice valid though Member deceased

196. Subject to the provisions of the Act any notice given in pursuance of these presents or document delivered or sent by post to or left at the registered address of any Member or at the address given by him under Article 190 in pursuance of these presents shall notwithstanding such Member be then deceased and whether or not the Company have notice of his decease be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such Member until some other person be registered in his stead as the holder or the joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.

## WINDING UP

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

Distribution of  
assets

198. (1) If the Company shall be wound up whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, and any other sanction required by the Act divide amongst the contributories in species or kind, the whole or any part of the assets of the Company and may, with the like sanction, vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidators with the like sanction shall think fit.

Distribution in specie  
or kind

(2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preference or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within 10 days after the passing of the Special Resolution by notice in writing direct the Liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall if practicable act accordingly.

199. A Special Resolution sanctioning a sale to any other company duly passed pursuant to Section 494 of the Act may in like manner as aforesaid determine that any shares or other consideration receivable by the Liquidators be distributed amongst the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said Section.

Right of  
Shareholders in  
case of sale

## SECURITY CLAUSE

200. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which 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 Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public.

Secrecy Clause



## INDEMNITY AND RESPONSIBILITY

Directors' and  
others' right to  
indemnity

201. (1) Subject to the provisions of Section 201 of the Act, every Director of the Company or Officer (whether Managing Director, Manager, Secretary or other Officer) or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all bonafide 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 Director, Officer or employee or in any way in the discharge of his duties.

(2) Subject as aforesaid every Director, or Officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.