

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L24223MH1946PLC005434

मैसर्स CAMLIN LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
CAMLIN LIMITED

जो मूल रूप में दिनांक चौबीस दिसम्बर उन्नीस सौ छियालीस को कम्पनी अधिनियम 1956 की धारा 3 के अंतर्गत एक विद्यमान कम्पनी है  
KOKUYO CAMLIN LIMITED.

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा  
लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदित, कम्पनी अधिनियम, 1956 की धारा B29868809 के तहत, भारत सरकार, कम्पनी कार्य  
विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि. 507 अ दिनांक एस.आर.एन. दिनांक 25/01/2012 के द्वारा  
KOKUYO CAMLIN LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र मुंबई में आज दिनांक पच्चीस जनवरी दो हजार बारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Maharashtra, Mumbai

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L24223MH1946PLC005434

In the matter of M/s CAMLIN LIMITED

I hereby certify that CAMLIN LIMITED which was originally incorporated on Twenty Fourth day of December Nineteen Hundred Forty Six being an existing company as per Section 3 of the Companies Act, 1956 as KOKUYO CAMLIN LIMITED. having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN B29868809 dated 25/01/2012 the name of the said company is this day changed to KOKUYO CAMLIN LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Mumbai this Twenty Fifth day of January Two Thousand Twelve.

Validly unknown  
Digitally signed by  
Name  
Date: 2012.01.25 11:01:28  
GMT+05:30

Registrar of Companies, Maharashtra, Mumbai

कम्पनी रजिस्ट्रार, महाराष्ट्र, मुंबई

\*Note: The corresponding form has been approved by RAJENDER SINGH MEENA, Deputy Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website ([www.mca.gov.in](http://www.mca.gov.in)).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

KOKUYO CAMLIN LIMITED  
48/2, HILTON HOUSE, CENTRAL ROAD M.I.D.C, ANDHERI (EAST),  
MUMBAI - 400093,  
Maharashtra, INDIA



No. 5434/TA

## Certificate of Change of Name

IN THE OFFICE OF THE REGISTRAR OF COMPANIES,  
UNDER THE COMPANIES ACT, 1956

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In the Matter of **CAMLIN PRIVATE LIMITED**, I do hereby certify that pursuant to the provision of section 23 of Companies Act, 1956 and the Special Resolution passed by the Company at its Annual General Meeting on the **16th day of March 1988**. The name of **CAMLIN PRIVATE LIMITED** has its day been changed to **CAMLIN LIMITED**. And that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated this **TWENTY FORTH** day of **MARCH** One thousand nine hundred and eighty eight.



Sd/-

(R. V. DANI)

Asstt. Register of Companies  
Maharashtra, Bombay

# Certificate of Incorporation

CO. NO. 5434

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I hereby certify that "**CAMLIN PRIVATE LIMITED**" was on TWENTY-FORTH day of DECEMBER, One thousand nine hundred and FORTY-SIX incorporated under the Indain Companies Act, VII of 1913 and that the Company is limited.

Given under my hand at BOMBAY this FIFTEEN day of MAY, One thousand nine hundred and SEVENTY.



Sd/-

(N. M. SHAH)

Asstt. Register of Companies  
Maharashtra, Bombay

# Certificate of Incorporation



**NO. 5434 of 194-1947**

I, hereby certify that 'CAMLIN Pvt. LIMITED' is this day incorporated under the Indian Companies' Act VII of 1913, and that the Company is Limited

Given under my hand at Bombay this Twenty fourth day of December One thousand nine hundred and Forty-Six.



**(Sd.) M. V. Varerkar**  
Register of Companies

ABSTRACT  
OF  
MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
**KOKUYO CAMLIN LIMITED**

**MEMORANDUM OF ASSOCIATION**

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Name of the Company	I	1
Registered Office of the Company	II	1
Object of the Company	III	1
Liability of members	IV	8
Capital of the Company	V	8

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**THE INDIAN COMPANIES ACT, 1913**

**COMPANY LIMITED BY SHARES.**

**MEMORANDUM OF ASSOCIATION**

**OF**

**KOKUYO CAMLIN LIMITED**

- I. The name of the Company is "KOKUYO CAMLIN LIMITED"
- II. The registered office of the Company will be situated in the Province of Bombay.
- III. The object for which the Company is established are:-
  1. To acquire and take over as a going concern the business now carried on at Bombay by Mr. D. R. Dandekar in the name of Messrs Dandekar & Company.
  2. To acquire and carry on in British India or in any Native State in India or elsewhere the business or manufacture of any or all of the things enumerated below.
  3. To manufacture all kinds and varieties of Writing and Printing Inks, Ink Extracts, Ink Powders, Ink Tablets, Marking Inks, Adhesives, Stamping Pastes, Sealing Waxes, Crayons and Chalks, Carbon Papers, Drawing Inks, Ribbons, Drawing Pastels and Pencils, all kinds and varieties of Printing and Lithographic Inks, all kinds and varieties of Crayons, Tailor's Chalk, Plaster of Paris and similar other products and other office requisites.

4. To manufacture Synthetic Resins, Plastics, Disinfectants and Disinfectant Fluids, Bakelite and its Products, Synthetic Chemicals, Natural and Synthetic Perfumes and essential Oils.
5. To carry on the trade or manufactures of all kinds of Soaps, Toilet, articles such as Creams, Hair Oils, Hair Tonics, Brilliantines, Liquid and Medicinal Soaps, Polishes of all kinds, Tooth Powders, Tooth pastes.
6. To carry on the trade or business of manufacturers of Chemicals and stores for mills, such as Cloth-Stamping Inks and Pastes, Turkey Red Oil, Soaps, Sizing Materials and any other article pertaining to Mill Store supplies.
7. To carry on the trade or manufacture of Colours, Pigments, Paints, Varnishes, Enamels, Glue, Gum, Whiting, Chalk Powder, Barytes and various other earths, metal and chemicals pertaining to the above articles.
8. To carry on the trade or manufacture of Peppermint, Chocolates, Toffees, Fruit and Food products, syrups and Milk Products.
9. To carry on the business of manufacturers of and dealers in chemical products of any nature and kind whatsoever and as wholesale and retail chemists and druggists, analytical chemists, drysalts, oil and colourmen, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalies, acids, drugs, tannins essences, pharmaceutical, photographic, sizing, medicinal, chemical, industrial and other preparations and articles of any nature and kind whatsoever, mineral and other waters, cements, oils, paints, pigments, and varnishes, compounds, drugs, dyestuffs, organic or mineral intermediate, paint and colour grinder, makers of and dealers in proprietary articles of all kinds, and of electrical, chemical, photographic, surgical and scientific apparatus and materials.
10. To carry on the trade or business of manufacturers of Fountain pens, Pen-holders, Pencils, Slates, Erasers, Paper boxes, Paper files, Pens, Stamp pads, Pin cushions, Foot rules and similar stationery articles.
11. To carry on the business of Book-binders, Printers and Lithographers and to manufacture Machinery for the same and to carry on the business and manufacture of Duplicators and their accessories.

12. To carry on the trade or business of manufacturers of wooden, metal, rubber and celluloid toys, mechanical toys and laboratory equipments.
13. To manufacture and trade in hand and power machines, workshop appliances, grinding and crushing machines, tablets machines, bottle corking machines, cleaning and filling machines, wooden and Metal boxes and tins, containers, wooden and steel furniture, Wood working machinery.
14. To purchase, manufacture, sell and generally deal in all materials, substances and things required for and incidental to the manufacture, preparation, adoption or use of acids, alkalies and salts, chemicals and other preparation and articles.
15. To carry on the trade or business of manufacturers of Alkalies and Heavy Chemical, Glycerine, Candles, Oil splitting and Oil Hydrogenerating.
16. To carry on all kinds of agency business and in particular to act as Managers, Secretaries, Treasurers, Agents or Managing Agents, for any other private or publics, limited or unlimited Companies and to carry on business as general merchants, warehousemen, importers and exporters, and to manufacture, buy, sell, hire, let on hire, improve, repair, alter, manipulate, treat, prepare for market, and otherwise deal in merchandise and commodities of all kinds and in Debentures and stocks and shares of Limited Companies.
17. To carry on any other business, manufacturing or otherwise, which may seem to the Company to be capable of being conveniently carried on in connection with the above, or otherwise calculated directly or indirectly to enhance the value of any of the Company's rights or properties for the time being.
18. To acquire by purchase, lease, assignment or otherwise lands, tenements, buildings, easements, rights and advantages of any kind whatsoever and to resell, mortgage, let on lease or otherwise deal with the same.
19. To purchase, resell, exchange and repurchase, exploit and mortgage, let on lease or for hire in India or elsewhere machinery, engines, plant and material also metals, stores and other articles and things and also any patent or license for the use of any invention, instrument or appliance or for the exercise

of any method or process useful for the Company's business and generally to purchase, take on lease or for hire any movable or immovable properties and any rights or privileges which may be deemed necessary or convenient for the purposes of the Company's business.

20. To develop and turn to account any land acquired by or in which the Company is interested and in particular by laying over and repairing the same for building, constructing, altering or pulling down, decorating, maintaining, finishing, fitting up and improving building and by planting, paving, farming, cultivating, letting on building lease or building agreement and by advancing money and entering into contract and agreement of all kinds with builders, tenants and others.
21. To purchase or acquire the goodwill or any interest in any business of a similar nature or kindred character to or with those of this Company and to amalgamate the whole or in part or effect any other agreements with other Companies, partnerships or persons.
22. To borrow or raise moneys or loans for the purposes of the Company by promissory notes, bills of exchange, hundies, and other negotiable or transferable instrument or by mortgage or debenture stock perpetual or otherwise charged upon all or any of the Company's properties both present and future including its uncalled capital or in such other manner as may be deemed expedient and to take money as deposit on interest or otherwise and to lend moneys to customers and others having dealings with the Company and to guarantee the performance of contract by any such person.
23. To open current or fixed account with any Bank or Bankers, Shroffs or Merchants and to pay and draw money from such accounts.
24. To make advances upon or for the purposes of raw materials, goods, machinery, medical stores, and other articles required for the purposes of the Company.
25. To invest the funds of the Company from time to time in securities or shares or upon such terms as may be determined by the Directors and from time to time to sell or vary all such investments and to execute all assignments, transfers, receipts and documents that may be necessary on that behalf.



26. To acquire and undertake the whole or in parts of business, properties and liabilities of any person or company carrying on any business which the Company is authorised to carry on or to possess property suitable for the purpose of this Company.
27. To remunerate or to make donation to any person or persons whether Directors, Officers or Agents of this Company or not for services rendered or to be rendered in or about the conduct of the Company's business.
28. To maintain laboratories, factories and workshops necessary for the control and manufacture of processes and to make arrangements of giving tuitions to candidates in the chemical or mechanical line on terms and conditions which the Directors may think fit.
29. To establish or support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit the employees or ex-employees of the Company or the dependants of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable and benevolent object or for any exhibition, public general or useful object.
30. To provide for the welfare of persons in the employment of this Company or formerly engaged in any business acquired by the Company and the wives, widows and families of such persons by grants of moneys, pensions or other payments, or by insurance and by establishing or supporting and aiding in the establishment and support of associations, institutions, funds, trusts, conveniences and by providing or subscribing towards places of instructions and recreations and hospitals, dispensaries, medical and other attendance and other assistance as the Company shall think fit and to form, subscribe to or otherwise aid benevolent, religious, scientific national or other institutions or objects or any exhibitions which shall have any moral or other claims to support or aid by the Company by reason of the locality of its operation or otherwise.
31. From time to time fund scholarships or endowments or to subscribe or contribute to any charitable, benevolent or useful objects of a public or a commercial character the support of which will in the opinion of the Company tend to increase its repute of popularity among the employees, its customers or the public or the Community.

32. To sell, lease, mortgage or dispose off the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other Company having object altogether or in part similar to those of this Company.
33. To invest, apply and deal with the moneys of the Company in the purse or upon the security of debentures, debenture-stock, shares (whether fully paid up or not) or securities of any other Company, corporation or public body, municipal, commercial or otherwise or in such other manner and upon such other debentures, debenture-stock, shares (whether fully paid-up or not) and securities as by the Company may be thought fit and so the income produced by stock investments shall be reckoned as part of the profit of the Company.
34. To receive money on deposit at interest or otherwise and to lend money to such persons with or without security and on such terms as may seem expedient and in particular to customers of and other persons having dealings with the Company and to guarantee the performance of the contracts by any such persons.
35. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures, debenture-bonds or debenture-stock perpetual or otherwise charged upon the undertaking of the Company or any part of its property (Both present and future) or otherwise including or not including its uncalled capital for the time being and generally to borrow money in such manner and upon such security as the Company may think fit and to purchase, redeem or pay off any such securities.
36. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, delivery orders, debentures and other negotiable or transferable instruments.
37. To remunerate, any person, firm or company rendering any services to this company whether by cash payments or by allotments to him or them of securities or shares of the Company credited as paid up in full or part or otherwise.
38. To pay all expenses of and in connection with obtaining the subscription of shares and any Debenture Capital of the Company and all commissions and other remunerations to

the brokers or others for procuring or guaranteeing subscriptions for or for underwriting, placing, selling or otherwise disposing off any of the shares mortgage-debenture, debenture-stock or other securities or property of the Company or of any other Company assisting to do so.

39. To enter into any arrangement with any Government or authorities supreme, Municipal, Local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authority any rights, privileges and concessions which the Company may think fit and desirable to obtain and to carry out, exercise and comply with any arrangements, rights, privileges and concessions.
40. To distribute any of the property of the Company among the members of the Company in specie or in kind.
41. To create any depreciation fund, sinking fund, insurance fund, or any other special fund, whether for depreciation or for repairing, improving, extending, maintaining, expanding and developing any of the business and properties of the Company or for any other purpose conducive to the interests of the Company.
42. To establish and conduct agencies and branches in all parts of India or out of India for the purposes of the Company.
43. To do all or any of the above things in any part of the World and as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others, and either by or through agents, subcontractors, trustees, or otherwise.
44. To pay the costs, charges and expenses preliminary and incidental to the formation, confirmation or establishment and registration of the Company including the Government registration fees, Capital duty and stamp duty.
45. And generally to do all and everything which is or may be in anyway considered incidental or conducive to the carrying into effect all or any of the objects of the Company and carry out the same object or any of them either on account of the Company alone or in connection with any other Company, Corporation, person or persons.

46. To take or censor in taking on such steps or proceedings as may seem best calculated to afford, aid and support the credit of the Company and obtain and justify public confidence and to avert or minimize the financial disturbances which might affect the Company.

And it is hereby declared that the word "Company (save when used in reference to this Company) in this clause shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and wherever domicile and that the objects set forth in any sub-clause of this clause shall not, except when the context expressly so requires, be in anyway limited or restricted by reference to or inference from the terms of any other sub-clause, or by the name of the Company. None of such sub-clauses or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause of this clause but the Company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the business, undertaking, property or acts, proposed to be transacted, acquired, dealt with or performed do not fall within the object of the first sub-clause of this clause.

- IV. The liability of the members of the Company is limited.
- V. \*The Authorised Share Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores) divided into 20,00,00,000 (Rupees Twenty Crores) Equity Shares of Re. 1.00 (Rupee One) each with power for the Company to increase or reduce the said capital and to issue any part of the Capital, original or increased with or without any preference priority or special privilege or subject to any postponement of rights to any conditions or restrictions.

\*Amended vide Ordinary Resolution passed at Annual General Meeting held on 26th July 2012.

We, the several persons whose names are subscribed, are desirous of being formed into a Company in accordance with these Articles of Association and we respectively agree to take the number of Shares in the Capital of the Company set opposite to our respective names.

Name, Address and Description of the subscription	Number of Shares taken by each subscriber	Name, Address and Descriptions of the Witness
Vishnu Parshuram Dandekar Merchant 210, Lady Jamshedji Road, Bombay – 28	10	G. G. DEO B.A.,L.L.B 210, Lady Jamshedji Road Bombay - 28
Digambar Parshuram Dandekar Merchant 210, Lady Jamshedji Road, Bombay - 28	10	
Madhav Govind Dandekar Merchant 210, Lady Jamshedji Road, Bombay - 28	10	
Dated this 23rd day of December, 1946		

**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**KOKUYO CAMLIN LIMITED**

**I. CONSTITUTION**

1.

(a)

No regulation contained in Table F, in the first Schedule to the Companies Act, 2013 shall apply to this Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.
- Table F not to apply but Company to be governed by these Articles
- (b)

The regulations for the management of the Company and for the observance of the Members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the Companies Act, 2013, be such as are contained in these Articles.

**II. DEFINITIONS AND INTERPRETATION**

2.

In the interpretation of these Articles, unless repugnant to the subject or context, the following terms shall have the following meanings assigned to them herein below:
- Definition and Interpretation
- (a)

"Act" or "the said Act", and reference to any section or provision thereof respectively means the Companies Act, 2013 and the rules and regulations framed thereunder, to the extent notified, and amended, modified or supplemented from time to time or the Companies Act, 1956 to the extent applicable.

"Act" or "The said Act"
- (b)

"Annual General Meeting" shall mean a General Meeting held in accordance with the provisions of section 96 of the Act and any adjourned meeting thereof.

"Annual General Meeting"
- (c)

"Articles" or "Presents" shall mean these articles of association of the Company as amended from time to time and in force for the time being.

"Articles" or "Presents"
- (d)

"Auditors" shall mean and include those persons appointed as such for the time being by the Company.

"Auditors"
- (e)

"Beneficial Owner" shall mean and include a person or persons' as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act.

"Beneficial Owner"

<b>"Board"</b>	(f) <b>"Board"</b> or <b>"Board of Directors"</b> shall mean the board of directors of the Company, constituted from time to time.
<b>"Business"</b>	(g) <b>"Business"</b> shall mean the manufacture, sale, distribution, trading, or marketing of the Products. As used herein, <b>"Products"</b> shall mean any products manufactured by the Company and its Subsidiaries from time to time and shall include all stationery products, pencils, pens, inks, geometrical instruments, markers and/or notebooks, traded by the Company and its Subsidiaries from time to time.
<b>"Business Day"</b>	(h) <b>"Business Day"</b> shall mean any day other than a Saturday, Sunday or any day on which banks in Mumbai, India or Tokyo, Japan are permitted to be closed.
<b>"Bye-laws"</b>	(i) <b>"Bye-Laws"</b> shall mean bye-laws made under section 26 of the Depositories Act.
<b>"Company" or "this Company"</b>	(i) <b>"Company"</b> or <b>"this Company"</b> shall mean *KOKUYO CAMLIN LIMITED or such other name as may be approved by the Board and the Registrar of Companies.
<b>"Debenture"</b>	(k) <b>"Debenture"</b> shall include Debenture Stock.
<b>"Depositories Act"</b>	(l) <b>"Depositories Act"</b> shall mean and include the Depositories Act, 1996 and any statutory modifications or re-enactments thereof from time to time.
<b>"Depository"</b>	(m) <b>"Depository"</b> shall mean a Depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub-section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992.
<b>"Directors"</b>	(n) <b>"Directors"</b> shall mean the Directors for the time being of the Company or as the case may be the Directors assembled at a Board.
<b>"Dividend"</b>	(o) <b>"Dividend"</b> shall include any interim dividend.
<b>"Equity Shares"</b>	(p) <b>"Equity Share(s)"</b> shall mean the equity Share(s) of the Company having a par value of INR 1 (Rupee one) per share and one vote per share.
<b>"Extra-Ordinary General Meeting"</b>	(q) <b>"Extra-Ordinary General Meeting"</b> shall mean an extra-ordinary general meeting of the Members duly called and constituted and any adjourned holding thereof.
<b>"Financial Year"</b>	(r) <b>"Financial Year"</b> shall have the meaning assigned thereto by section 2(41) of the Act.

- (s) **"Governmental Approvals"** shall mean, in respect of a transaction any notice, consent, approval, authorization, waiver, permit, grant, concession, agreement, license, certificate, exemption, order or registration, of, with or to any Governmental Authority and a "Governmental Approval" shall mean any of them. **"Governmental Approvals"**
- (t) **"Governmental Authority"** shall mean any nation or government or any province, state or any other political sub-division thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of India, or any other jurisdiction, as applicable, or any political sub-division thereof or any other applicable jurisdiction; any court, tribunals and any securities exchange or body or authority regulating such securities exchange. **"Governmental Authority"**
- (u) **"INR" or "Rupees"** shall mean Indian Rupees, the lawful currency of the Republic of India. **"INR" or "Rupees"**
- (v) **"Kokuyo"** shall mean Kokuyo Co. Ltd., a Company incorporated under the laws of Japan and having its principal office at 6-1-1 Oimazato-minami, Higashinari-ku, Osaka City, Osaka 537-8686 Japan. **"Kokuyo"**
- (w) **"Law"** shall mean all applicable provisions of all (a) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, ordinances, bye-laws or orders of any Governmental Authority, (b) Governmental Approvals and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority. **"Law"**
- (x) **"Member"** shall mean the duly registered holder from time to time of the Equity Shares and person(s) whose name(s) is/are entered as beneficial owner in the records of the Depository. **"Member"**
- (y) **"Meeting" or "General Meeting"** shall mean a meeting of the Members. **"Meeting" or "General Meeting"**
- "Month"** means a calendar month. **"Month"**
- (z) **"Office"** shall mean the Registered Office for the time being of the Company. **"Office"**
- (aa) **"Ordinary Resolution" and "Special Resolution"** shall have the meaning assigned thereto by section 114 of the Act. **"Ordinary Resolution and Special Resolution"**
- (bb) **"Paid-up"** shall include credited as paid-up. **"Paid-up"**
- (cc) **"Participant"** shall mean a person registered as such under sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992. **"Participant"**



<b>"Person"</b>	(dd) <b>"Person"</b> shall mean any natural person, limited or unlimited liability company, corporation, general partnership, limited partnership, proprietorship, trust, union, association, Governmental Authority or other entity, enterprise, authority, business organization or any other entity that may be treated as a person under Law.
<b>"Relative"</b>	(ee) <b>"Relative"</b> shall have the meaning ascribed to it under Section 2(77) of the Act.
<b>"Register of Members"</b>	(ff) <b>"Register of Members"</b> shall mean the Register of Members to be kept pursuant to the Act and the Register and Index of beneficial owners maintained by the Depository under the Depositories Act.
<b>"Registrar"</b>	(gg) <b>"Registrar"</b> shall mean the Registrar of Companies of the State in which the Office of the Company is for the time being situate.
<b>"Seal"</b>	(hh) <b>"Seal"</b> shall mean the Common Seal for the time being of the Company.
<b>"Secretary"</b>	(ii) <b>"Secretary"</b> shall mean any individual possessing the prescribed qualifications appointed to perform the duties which may be performed by a secretary under the Act and any other ministerial or administrative duties.
<b>"Security/ies"</b>	(ii) <b>"Security/ies"</b> shall mean and include Equity Shares, Debentures, preference Shares and/or such other securities as may be specified under the Act or by SEBI or other competent authority, from time to time.
<b>"Securities and Exchange Board of India"</b>	(kk) <b>"Securities and Exchange Board of India"</b> or <b>"SEBI"</b> shall mean the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
<b>"Share"</b>	(ll) <b>"Share"</b> shall mean Equity Share in the Share Capital of the Company and includes preference shares and stock except where a distinction between stock and share is expressed or implied.
<b>"Share Capital"</b>	(mm) <b>"Share Capital"</b> shall mean the total issued and paid-up equity share capital of the Company.
<b>"Share Equivalents"</b>	(nn) <b>"Share Equivalent"</b> shall mean any instrument convertible into Equity Shares and includes without limitation the global depository receipts, American depository receipts, warrants, convertible preference shares and options including options issued pursuant to any employee stock option plan that may be implemented by the Company, loans or other securities that are directly or indirectly convertible into or exercisable or exchangeable for Equity Shares (whether or not by their term then currently convertible, exercisable or exchangeable).

- (oo)

**"Subsidiary/ies"** shall mean Camlin International Limited and other subsidiaries of the Company, from time to time.

**"Subsidiary/ies"**
- (pp)

**"Year"** shall mean the calendar year.

**"Year"**

3. **Interpretation**

- (a)

Words and expressions used and not defined in these Articles but defined in the Act or Depositories Act, shall have the same meaning respectively assigned to them in the Act or the Depositories Act, as amended from time to time.

**"Marginal notes in Articles not to affect the construction thereof"**
- (b)

Words importing the singular number include where the context admits or requires the plural number and vice versa.

**"Singular Number"**
- (c)

Words importing the masculine gender also include the feminine gender.

**"Gender"**
- (d)

**"In writing"** and **"written"** include printing or lithography or any other modes of representing or reproducing words in visible form.

**"In writing"**
- (e)

All references in these Articles to statutory provisions shall be construed as meaning and including references to: any statutory modification, consolidation or re-enactment made after the date of these Articles and for the time being in force.

**"Statutory provisions"**

**III. CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

4.

The Authorised Share Capital of the Company shall be such amount as may be specified in Clause V of the Memorandum of Association of the Company.

**Authorised Capital**
- 4A

The Company may issue the following kinds of shares in accordance with these Articles, the Act and Applicable Law:

(i)

Equity share capital: (a) with voting rights and/or (b) differential rights as to dividend, voting or otherwise in accordance with the Act; and

(ii)

Preference share capital.

**Kinds of Share Capital**

5.

The Company in General Meeting may, from time to time, increase its authorised share capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into Shares of such amounts as the resolution shall prescribe. Subject to the provision of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall prescribe and if no direction be given; as the Directors shall determine and in particular, such Shares may be issued with a preferential or qualified right to dividends, and in the distribution of

**Increase of Capital of the Company and how carried into effect**

assets of the Company and with a right of voting at General Meeting of the Company, in conformity with section 47 of the Act. Whenever, the Capital of the Company has been increased under the provisions of these Articles, the Directors, shall comply with the provisions the Act.

<b>Issue of shares on <i>pari passu</i> basis not to vary rights of existing shareholders</b>	5A	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
<b>Power to issue warrants or other document</b>	6.	The Board shall have power to issue warrants or other securities entitling the holder thereof to subscribe to Equity Shares, Debenture and/or other Securities of the Company at such price and on such terms and conditions as may be determined by the Board from time to time.
<b>Allotment otherwise than for cash</b>	7.	Subject to the provisions of the Act and these Articles, Directors may allot and issue Shares in the Share Capital of the Company as payment or part payment for any property or assets of any kind whatsoever, sold or to be sold or transferred or to be transferred or for goods or machinery supplied or to be supplied or for services rendered or to be rendered or for technical assistance or know-how made or to be made available to the Company or the conduct of its business and Shares which may be so allotted may be issued as fully or partly paid-up otherwise than in cash and if issued, shall be deemed to be fully or partly paid as the case may be.
<b>Additional capital to form part of existing Capital</b>	8.	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 as part of the existing Share Capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
<b>Redeemable Preference Shares</b>	9.	Subject to the provisions of the Act, the Company shall have the power to issue preference shares, of one or more classes, which are liable to be redeemed or converted into equity shares, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
<b>Provisions to apply issue of Redeemable Preference Shares</b>	10.	<p>On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect:</p> <p>(a) No such redeemable preference share shall be redeemed except out of 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 purpose of redemption.</p> <p>(b) No such redeemable preference shares shall be redeemed unless they are fully paid.</p>

- (c) Where any redeemable preference shares are proposed to be redeemed out of the profits of the Company, there shall, out of profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve fund, to be called the "Capital Redemption Reserve Account," and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in the Act, apply, as if the Capital Redemption Reserve Account were Paid-up Share Capital of the Company.
11. (a) The Company may subject to the provisions of the Act (including sections 52 and 55 of the Act, sections 100 to 105 of the Companies Act, 1956 and / or other applicable provisions of the Act, as applicable) from time to time, by Special Resolution, reduce its Share Capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by Law, and in particular, Share Capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.
- (b) The Company is also permitted to purchase its own Shares or other specified Securities in accordance with the provisions of the Act, and such regulations or guidelines framed by the Securities and Exchange Board of India or any other appropriate authority.
12. Subject to the provisions of section 61 and such other provisions of the Act as may be applicable, the Company in General Meeting may from time to time:
- (i) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (iii) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (iv) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
13. Whenever the Share Capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any other rights and privileges attached to the Shares of each class may, subject to the provisions of Section 48 and such other

**Reduction / Buyback  
of Capital**

**Sub-division and  
consolidation of  
Shares**

**Modification of  
rights attached to  
Shares**

provisions of the Act, as may be applicable, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued Shares of the class concerned, or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of Shares of that class.

#### IV. SHARES AND CERTIFICATES

##### Register and Index of Members

14. (a) The Company shall cause to be kept a Register and Index of Members in accordance with section 88 of the Act and the Depositories Act. The details of Shares held in material and dematerialized forms may be maintained in a media as permitted by Law including in any form of electronic media. The Register and Index of Beneficial Owner maintained by a Depository under section 11 of the Depositories Act shall be deemed to be the Register and Index of Members for the purposes of the Act and these Articles.
- (b) Notwithstanding anything herein contained, a person whose name is at any time entered into the Register of Members of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Share, shall within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in Section 89 of the Act.
- (c) A person who holds a beneficial interest in a Share or a class of Shares of the Company shall within the time prescribed, after his becoming such Beneficial Owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars in Section 89 of the Act.
- (d) Whenever there is a change in the beneficial interest in a Share referred to above, the Beneficial Owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed under the Act.
- (e) Notwithstanding anything herein contained, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

- |     |  |   |
|-----|--|---|
| 15. | The Shares in the Share Capital of the Company shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share shall continue to bear the number by which the same was originally distinguished. Provided however that the provision relating to progressive numbering of Shares shall not apply to the Shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form.   | <b>Shares to be numbered progressively and no Share to be sub-divided</b> |
| 16. | The Board shall observe the restrictions pertaining to allotment of Shares to the public contained in the Act, and shall cause to be made the returns as to allotment provided for in section 39 of the Act.   | <b>Restrictions on Allotment</b>  |
| 17. | <p>(a) Where at any time it is proposed to increase the Share Capital of the Company, by allotment of further Shares, whether out of unissued Share Capital or out of increased Share Capital, then such further Shares may be offered to the persons who, at the date of the offer, are holders of the Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on these Shares at that date. Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days, and not more than 30 days, from the date of the offer within which period, the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such a manner as they think most beneficial to the Company. The Company shall be permitted to issue Shares to any person, whether an existing Shareholder of the Company or not, on a preferential allotment basis, in accordance with the Act and these Articles.</p> <p>(b) Notwithstanding anything contained in Article 17(a) above, but subject, however, to section 62 of the Act, the Company may increase its subscribed Share Capital on exercise of an option attached to the Debentures issued or loans raised by the Company to convert such Debentures or loans into Shares, or to subscribe for Shares in the Company.</p> | <b>Issue of Right Shares and Preferential Allotment</b>                   |
| 18. | Subject to the provisions of these Articles and the Act, the Shares in the Share Capital of the Company for the time being (including any Shares forming part of any increased Share Capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or anyone of them to such persons in such proportion and on such terms and conditions and at a premium or at par, and at such times as they may from time to time think fit and proper including without limitation on a preferential allotment/private placement basis and with the sanction of the Company in General Meeting to give to any person the option to call for or be allotted   | <b>Shares at the disposal of Directors</b>                                |

Shares of any class of the Company either at par or at premium during such time and for such consideration and such option being exercisable at such times as the Directors think fit, and any Shares which may be so allotted may be issued, as fully paid-up Shares and if so issued shall be deemed to be fully paid-up Shares. The Board shall cause to be filed the returns as to allotment provided for under the Act. Notwithstanding anything contained in these Articles, but subject to the provisions of the Act, the Board of Directors are empowered without any prior sanction of the Members to dematerialize and rematerialize the Securities of the Company and issue/allot fresh Securities in dematerialized form. The Board of Directors is also empowered to determine the terms and conditions thereof pursuant to the provisions of the Depositories Act, and rules framed thereunder. Provided, further, the Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to employees of the Company under an employees' stock option scheme in accordance with the Act.

**Acceptance of  
Shares**

19. 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 within the meaning of these Articles; and every person who thus or otherwise accepts any Shares and whose name is entered in its Register of Members shall for the purpose of these Articles, be a Member of the Company.

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

20. 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 inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee and shall be paid by him accordingly.

**Liability of Members**

21. Every Member, or his heirs, executors, administrators or other representatives, 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 amount, at such time or times, and in such manner as the Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

**Share Certificate**

22. (a) Every Member or allottee of Shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the Shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issue against letters of acceptance or of renunciation, or in cases of issue of bonus Shares. Every such certificate shall be issued under the Seal of

the Company and signed in accordance with the Act. Particulars of every Share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

- (b) Every certificate of shares shall be either issued under the Seal of the Company or signed if permitted under the Act for the time being in force, authenticated by (i) two directors or (ii) any person(s) authorised by the Board for the purpose or (iii) by a director and the Company Secretary, wherever the Company has appointed a Company Secretary and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon.
- (c) Any two or more joint allottees of a Share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any Share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled but shall not be bound, to prescribe a charge not exceeding INR 1 (One). The Company shall comply with the provisions of section 56 of the Act.
- (c) A Director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as, engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- (d) Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its Securities, rematerialize its Securities held in the depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder if any.
- (e) Notwithstanding anything contained in section 56 of the Act, where the Securities are dealt with in a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities as far as practicable. On receipt of such information the Depository shall enter in its records the name of the allottee as the Beneficial Owner of that Security.
- (f) Every person subscribing to the Securities offered by the Company shall have the option to receive Security certificates or to hold the Securities with a Depository. Such a person who is the Beneficial Owner of the Securities can at any time opt out of a Depository if permitted by Law, in respect of any Security in the manner provided by the Depositories Act, and the Company shall, in the manner and with the time prescribed, issue to the Beneficial Owner the required certificate of Securities.



- (g) All Securities held by a Depository shall be dematerialized and be in fungible form.
- (h) Nothing contained in Sections 89, 185 and 186 of the Act, shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
- (i) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held by a Depository. No certificate shall be issued for the Securities held by a Depository.

**Renewal of Shares  
Certificate**

- 23.
- (a) No certificate of any Share or Shares shall be issued either in exchange for those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company. The Company shall be entitled to charge a fee, not exceeding INR 2 (Two) per certificate, issued on splitting or consolidation of Share certificate otherwise than in marketable lots or any replacement of Share certificates that are defaced or any replacement of Share certificate that are defaced or torn, as the Board thinks fit.
  - (b) "When a new Share certificate has been issued in pursuance of Article 23 (a), it shall state on the face of it and against the stub or counterfoil to the effect that it is **"Issued in lieu of Share Certificate No. \_\_\_\_ sub-divided/replaced/on consolidation of Shares."**
  - (c) If a Share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fee, not exceeding INR 2 (Two) as the Board may from time to time fix, and on such terms, if any, as to evidence and indemnity as to payment of such out-of-pocket expenses incurred by the Company in investigation evidence, as the Board thinks fit.
  - (d) When a new Share certificate has been issued in pursuance of Article 23 (c), it shall state on the face of it and against the stub or counter-foil to the effect that it is **"a duplicate issued in lieu of Share certificate No. \_\_\_\_"** The word **"duplicate"** shall be stamped or punched in bold letters across the face of the Share certificate.
  - (e) Where a new Share certificate has been issued in pursuance of Article 23 (a) or Article 23 (c), particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate certificates indicating against the name or names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, and the necessary changes indicated in the Register of Members by suitable cross reference in the remark column.

- (f) All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purposes; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The managing Director of the Company for the time being or, if the Company has no managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificate referred to in Article 23 (f).
- (h) All books referred to in Article 23 (g) shall be preserved in good order permanently.

24. If any Share stands in the names of two or more persons all the joint holders of the Share shall be severally as well as jointly liable for the payment of all deposits, instalments, and calls due in respect of such Shares, and for all incidents thereof according to the Company's regulations, but the person first named in the Register of Members shall, as regards receipt of Dividend or bonus or service of notice, and all or any other matter connected with the Company, except voting at meetings and the transfer of the Shares, and any other matter by the said Act or herein otherwise provided, be deemed the sole holder thereof.

**Liability of joint holder**

- 25. (a) Save as herein or by the Law otherwise expressly provided, the Company shall be entitled to treat the registered 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 equitable, contingent, future, partial, or other claim to or interest in any Share, on the part of any other person whether or not it shall have express or implied notice thereof, the provisions of the Act shall apply and save as aforesaid, no notice of any trust expressed, implied or constructive, shall be entered in the Register of Members, the Directors, shall, however, be at liberty, at their sole discretion to register any Share in the joint names of any two, or more persons, and the survivor or survivors of them.
- (b) Notwithstanding anything contained in the Act or in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities

**Registered holder only the owner of the Shares**

held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a Depository.

- (c) Except as ordered by a court of competent jurisdiction or as required by Law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the Securities in the records of the Depository as the absolute owner thereof and accordingly, the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

**Funds of Company may not be applied on purchase of the Shares of the Company**

26. None of the funds of the Company shall be applied in the purchase of any Shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any Shares in the Company or in its holding Company save as provided by section 67 of the Act.

**Fractional certificates**

27. The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates/ coupons or by payment in cash or otherwise in trustees or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

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

**Provisions as to issue of share certificates to mutatis mutandis apply to securities**

28. The provisions of these Articles relating to share certificates shall mutatis mutandis apply to certificates relating to all other securities of the Company, except where the Act or Rules otherwise provide.

## **V. UNDERWRITING AND BROKERAGE**

**Underwriting and Brokerage**

29. The Company may, subject to the provisions of section 40 and other applicable provisions (if any) of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or Debentures

in the Company or procuring or agreeing to procure, subscriptions, (whether absolute or conditional) for any Shares in or Debentures of the Company but so that the amount or rate of commission does not exceed in the case of Shares 5% of the price at which the Shares are issued and in the case of Debentures  $2\frac{1}{2}$  % of the price at which the Debentures are issued. The commission may be paid out of proceeds of the issue or the profit of the Company or both.

30. The Company may also on any issue of Shares or Debentures pay such brokerage as may be lawful.

## **VI. INTEREST OUT OF CAPITAL**

31. Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that Share Capital as is for the time being paid-up, for the period, at the rate and subject to the condition and restrictions provided under the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.
- Interest may be paid out of capital**

## **VII. CALLS**

32. The Board may from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Share held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board. A call may be made payable by instalments.
- Directors may make calls.**
33. Thirty days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be made.
- Notice of calls**
34. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.
- Calls to date from resolution**
35. A call may be revoked or postponed at the discretion of the Board.
- Call may be revoked**
36. A joint-holder of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- Liability of Joint Holder**
37. The Board may, from time to time at its discretion, extend the time fixed for 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 Board may deem fairly entitled to such extension save as a matter of grace and favour.
- Directors may extend time**

**Overdue calls  
to carry interest**

38. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member and the Board shall be at liberty to waive payment of such interest either wholly or in part.

**Sums deemed  
to be calls**

39. Any sum, which by the terms of issue of a Share become payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue of the same becomes payable, and in the case of non-payment all the relevant provision of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**Part payment on  
account of call etc.  
not to preclude  
forfeiture**

40. 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 to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

**Payment of unpaid  
Share capital in  
advance**

41. (a) The Board may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, either in money or money's worth the whole or any part of the amount remaining unpaid on the Shares held by him beyond the sum actually called up and upon the moneys so paid or satisfied in advance, or so much thereof, as from time to time and at any time thereafter exceeds the amount of the called then made upon and due in respect of the Shares on account of which such advances have been made, the Board may pay or allow interest at such rate as the Member paying such advance and the Board agree upon; provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such Shares, unless there be an express agreement to the contrary; and after such repayment such Member shall be liable to pay, and such Shares shall be charged with the payment of all future calls if no such advance had been made; provided also that if at any time after the payment of any money so paid in advance, the

Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the Members to the Company, on instalments or calls, or in any other manner, the maker of such advance shall be entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to Members on account of capital.

- (b) No Member paying any such sum in advance shall be entitled to any voting rights, dividend or right to participate in profits in respect of the moneys so advanced by him until the same would but for such payment become presently payable.

- 42. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities, including debentures, of the Company.

Provisions relating to calls to mutatis mutandis apply to other securities including debentures

**VIII. FORFEITURE AND SURRENDER OF AND LIEN ON SHARES**

- 43. If any Member fails to pay any call or instalment of call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may be determined by the Board, from the day appointed for payment up to the time of actual payment.

If money payable on Share not paid notice to be given to Member

- 44. The notice shall name a day (not being less than thirty days from the date of notice) and a place or places on and at which such call or instalment and such interest thereon at such rate as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and the place appointed, the Shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

Term of notice

- 45. If the requirements of any such notice as aforesaid are not complied with, every or any Share in respect of which such notice has been given, may at any time thereafter, but before payment of all calls or instalments, in interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited Shares and not actually paid before the forfeiture.

In default of payment Shares may be forfeited

- 46. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture or to any of his legal representative, or to any of the persons entitled to the Shares by transmission and an entry of the forfeiture, with the date thereof, forthwith be made in the register

Notice of forfeiture

of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

<b>Forfeited Shares to become property of the Company and may be sold, etc.</b>	47.	Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
<b>Members still liable to pay money due notwithstanding the forfeiture</b>	48.	Any Member whose Shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company on demand all calls, amounts, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof if it thinks fit.
<b>Effect of forfeiture</b>	49.	The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interest in and of all claims and demands against the Company, in respect of the Share, and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
<b>Surrender of Shares</b>	50.	The Directors may subject to the provisions of the Act, accept a surrender of any Shares from or by any Member desirous of surrendering them on such terms as they think fit.
<b>Evidence of forfeiture</b>	51.	A declaration in writing that the declaration is by a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on the date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
<b>Title of purchaser and transferee of forfeited shares</b>	51A	<p>(a) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.</p> <p>(b) The transferee shall thereupon be registered as the holder of the share.</p> <p>(c) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.</p>
<b>Company's lien on Shares</b>	52.	The Company shall have a first and paramount lien upon all the Share, not being fully paid-up Shares, registered in the name of each Member (whether solely or jointly with another or others), and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares and

no equitable interest in any Share shall be created except upon the footing and condition that Article 52 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such Shares. Unless otherwise agreed, the registration of a transfer of Shares shall operate as a waiver of the Company's lien if any, on such Shares. The Board of Directors may at any time declare any Shares to be exempt, wholly or partially from the provisions of this Article.

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| 53. | For the purpose of enforcing such lien, the Directors may sell the Shares subject thereto in such manner as they think fit and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their member or some other person to execute a transfer thereof on behalf of and in the name of such Member. No such sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof is presently payable or the liability in respect of which such lien exists is liable to be presently fulfilled or discharged and until such notice in writing of the intention to sell shall have been served on such Member, or his heirs, executors, administrators, or other representatives or upon the persons (if any) entitled by transmission to the Shares or any one or more of such heirs executors, administrators, representatives or persons, and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities or engagements for fourteen days after such notice. | <b>Lien enforced by sale</b>  |
| 54. | The net proceeds of any such sale after payment of the costs of such sale, shall be applied in or towards the satisfaction of such debts, liabilities or engagements and the residue (if any) paid to such Member, or any of his heirs, executors, administrators, representatives or assigns or any of the persons (if any) entitled by transmission to the Shares sold.  | <b>Application of sale proceeds</b>                                     |
| 55. | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.   | <b>Validity of sale under Articles</b>                                  |
| 56. | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate   | <b>Cancellation of Share certificate in respect of forfeited Shares</b> |



or certificates in respect of the said Shares to the person or persons entitled thereto.

**Power to annul  
forfeiture**

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

**Forfeiture,  
Surrender and  
Lien, over other  
securities including  
debentures**

58. The provisions of these Articles relating to forfeiture, surrender and lien shall mutatis mutandis apply to any other securities, including debentures, of the Company.

## **IX. TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES**

**Register of Transfers**

59. (a) The Company shall keep a “**Register of Transfers**” and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any Share.
- (b) Notwithstanding anything contained in the Act or these Articles, where securities are held by a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs or any such other means.
- (c) Every Depository shall maintain a Register and an Index of Beneficial Owner provided in sections 88 of the Act.
- (d) The Company shall not be required to maintain Register of Transfers for entering particulars of transfers and transmissions of securities in dematerialized form.

**Form of Transfer**

60. Shares in physical form in the Company shall be transferred by an instrument in writing in such form as is prescribed under section 56 of the Act or under rules made thereunder from time to time.

**To be executed by  
Transferor and  
Transferee**

61. (a) The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by an order of the Board. The transferor shall be deemed to be the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the Shares must be delivered to the Company.
- (b) Nothing contained in section 56 of the Act or the Articles which are inconsistent with the provisions of Depositories Act, shall apply to a transfer of Shares effected by a transferor or transferee both of whom are entered as Beneficial Owners in the records of a Depository.

- (c) Every Depository shall, on receipt of intimation from a Participant, register the transfer of Security in the name of the transferee.
- (d) Notwithstanding anything contained in these Articles, in the case of transfer or transmission of Securities where the Company has not issued any certificates and where such Securities are being held in an electronic and fungible form by a Depository, the provisions of the Depositories Act, shall apply.

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| 62. | The Board shall have power on giving not less than seven days previous advertisement in (i) a vernacular newspaper in the principal vernacular language, and (ii) an English newspaper circulating in, and having wide circulation in the city in which the Office of the Company is situated, to close the transfer books, Register of Members or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year, as to it may seem expedient.   | <b>Transfer Books<br/>when closed by<br/>notice</b>  |
| 63. | Subject to the provisions of section 56 and other applicable provisions of the Act, the Board, may at its own absolute and uncontrolled discretion, decline to register or acknowledge any transfer of Shares whether fully paid or not, (notwithstanding that the proposed transferee be already a Member), but in such cases it shall, within thirty days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice giving reasons for such refusal to register such transfer. Provided that registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on Shares. | <b>Directors may refuse<br/>to register transfer</b>   |
| 64. | Where, in the case of partly paid Shares, an application for registration is made by the transferor the Company shall give notice of the application to the transferee in accordance with the provisions of section 56 of the Act.   | <b>Notice of application<br/>when to be given</b>  |
| 65. | In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased jointholder for any liability on Shares held by him jointly with any other person.   | <b>Death of one or<br/>more joint holders<br/>of Shares</b>  |
| 66. | (a) The executors or administrators or holders of a succession certificate or the legal representatives of a deceased Member (not being one of two or more joint-holders) shall be the only person recognised by Company as having any title to the Shares registered in the name of such Members, and the Company shall   | <b>Title to Shares/<br/>Debentures of<br/>deceased Member<br/>and Nomination<br/>by Shareholders/<br/>Debenture holders<br/>etc.</b> |

not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letter of administration or succession certificate, as the case may be, from a duly constituted court in the Union of India, provided that in case where the Board in its absolute discretion think fit, the Board may dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to Shares standing in the name of a deceased Member, as a Member.

- (b) On the death of a shareholder/Debenture holder of the Company, the Company shall confer the Shares/debentures or interest of the deceased shareholder/debenture holder to a person or persons nominated by the shareholders/debenture holders in accordance with the rules framed by the Board of Directors or if no such person is nominated as may appear to the Board of Directors, to the heir, legal representative of the deceased shareholder / debenture holder. Provided that such nominee or heir or legal representative of the deceased as the case may be is or duly admitted as a shareholder/debenture holder of the Company. All transfers and payments duly made by the Company in accordance with the provisions herein contained shall be valid and effective against any demand made upon the Company by any other person. Nomination and transmission of Shares and debentures will be governed by the provisions of section 109-A and 109-B of the Act as amended from time to time.

**No transfer to insolvent etc.**

67. No Share shall, in any circumstances, be transferred to any insolvent or person of unsound mind.

**Registration of persons entitled to Shares otherwise than by transfer**

68. Subject to the provisions of the Act and these Articles, any person becoming entitled to Shares in consequences of death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it 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 Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some persons nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so he shall not be freed from any liability in respect of the Shares.

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| 69. | A person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividends or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the Shares.   | Persons entitled may receive dividends without being registered as Members  |
| 70. | There shall be paid to the Company, in respect of the transfer or transmission of any number of Shares to the same part, such fee, if any, as the Directors may require.  | Fee on Transfer or Transmission   |
| 71. | The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of a person or persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have any 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 it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit. | The Company not liable for disregard of a notice prohibiting registration of a transfer                                     |
| 72. | The provisions of these Articles relating to transfer and transmission of shares shall <i>mutatis mutandis</i> apply to any other securities, including debentures of the Company.  | Provisions as to transfer and Transmission of shares <i>mutatis mutandis</i> apply to other securities including debentures |

#### **X. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

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| 73. | A copy of the Memorandum and Articles of Association of the Company and other documents referred to in section 17 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of INR 100/- (Rupees hundred only) for each copy subject to the maximum amount prescribed for the same under the Act. | Copies of Memorandum and Articles of Association to be sent by the Company |
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#### **XI. BORROWING POWERS**

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| 74. | Subject to the provisions of the applicable provisions of Chapter V of the Act, sections 179 and 180 of the Act and of these Articles and such other provisions of the Act as may be applicable, the Board may, from time to time at its discretion, by a resolution passed at a Meeting of the Board, accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the | Power to Borrow |
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Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves (that is to say, reserve not set apart for any specific purpose), apart from temporary loans obtained from the Company's bankers in the ordinary course of business, the Board shall not borrow such moneys without the consent of the Company in General Meeting, obtained by way of a special resolution.

For the purposes of this Article 74, the term "temporary loans" shall have the meaning as ascribed to such term in the Explanation to section 180(c) of the Act.

**The payment or  
repayment of  
moneys borrowed**

75. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of Debentures of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being, and Debentures and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

**Terms of issue of  
debentures**

76. Any Debentures, debenture-stock or other Securities may be issued at a premium or otherwise and may be issued on condition that they or any part of them shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares and attending (but not voting at) General Meetings, appointment of Directors and otherwise. Debentures with a right to conversion or allotment of Shares shall be issued only with the consent of the Company in General Meeting, in the manner contemplated under the Act.

**Register of  
Mortgages, etc.  
to be kept**

77. The Board shall cause a proper register to be kept in accordance with the provisions of section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of sections 71 and 77 to 85 (both inclusive) of the Act, in that behalf to be duly complied with (within the time prescribed by the said sections or such extensions thereof as may be permitted by the Company law board or the court or the Registrar as the case may be) so far as they fail to be complied with by the Board.

**Register and Index  
of Debenture  
holders**

78. The Company shall, if any time it issued Debentures, keep a Register and Index of debenture holders in accordance with section 88 of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debenture holders' resident in that State or Country. The Register and Index of beneficial owners maintained by a Depository under section 11 of the Depositories Act shall be deemed to be the Register and Index of Debenture holders for the purposes of the Act and these Articles.

79. Subject to the provisions of section 54 of the Act and other applicable provisions of the Act, the Board may issue sweat equity shares to employees at a discount or for a consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value addition or such other consideration and in such manner as may be permitted under the Act.
- Sweat Equity Shares**

## **XII. SHARE WARRANTS**

80. The Company may issue share warrants subject to, and in accordance with the provisions of the Act; and accordingly the Board may in its discretion, with respect to any Share which is fully paid-up on application in writing signed by the persons registered as holder of the Share, and authenticated, by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- Power to issue Share warrants**
81. (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.
- (b) Not more than one person shall be recognised as depositor of the share warrant.
- (c) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.
- Deposit of Share warrant**
82. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and shall be a Member of the Company.
- Privileges and disabilities of the holders of Share warrant**
83. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
- Issue of new Share warrant or coupon**

### **XIII. CONVERSION OF SHARE INTO STOCK AND RECONVERSION**

**Shares may be  
converted into stock**

84. The Company in General Meeting may convert any paid-up Share(s) into stock; and 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 interest, in the said manner and subject to the same regulations as, and subject to which Shares from which the stock arose might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up Shares of any denomination. Such of the provisions of these Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in the said provisions shall include "stock" and "stock-holder" respectively.

**Right of  
Stockholders**

85. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose, but no privilege or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

### **XIV. MEETINGS OF MEMBERS**

**Annual General  
Meeting**

86. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meeting. Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of section 96(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours on a day, i.e., between 9:00 am and 6:00 pm, on a day that is not a national holiday, and shall be held at the registered office of the Company or at some other place within the city in which the Office is situated. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at the General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table Directors' report and audited statement of accounts, Auditors' report (if not already incorporated in the audited statement of accounts), the proxy Register with Proxies and the Register of Directors' Shareholdings of which the latter Register shall remain open and accessible during the

continuance of the meeting. The Board shall cause to be prepared the annual list of Members, summary of the Share Capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with sections 92 and 137 of the Act.

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| 87. | The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one tenth of such of the paid-up capital, as at that date carried the right of voting in regard to the matter in respect of which the requisition has been made.   | <b>Extra-Ordinary<br/>General Meeting</b>  |
| 88. | Each shareholder of the Company shall vote its Equity Shares at any Extra-ordinary General Meeting or matters required to be voted by way of a postal ballot, and shall take all other actions necessary, to give effect to these Articles. In addition, each of the shareholders of the Company shall vote their Equity Shares at any General Meeting or matters required to be voted by way of a postal ballot, upon any matter submitted for action by the shareholders or with respect to which the shareholders may vote and shall cause their Directors on the Board to vote, in conformity with the specific terms and provisions of these Articles to the extent legally permissible to give complete legal effect to the provisions of these Articles. | <b>Complete Effect</b>   |
| 89. | Any valid requisition made by the Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.   | <b>Requisition of<br/>Members to state<br/>object of meeting</b>   |
| 90. | Upon the receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if it does not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of deposit of the requisition as aforesaid.  | <b>On receipt of<br/>requisition, Directors<br/>to call meeting<br/>and in default<br/>requisitionists may<br/>do so</b> |
| 91. | Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which Meetings are to be called by the Board.  | <b>Meeting called by<br/>requisitions</b>  |
| 92. | Twenty one days' notice, at least, of every General Meeting, Annual or Extra-ordinary and by whomsoever called, specifying the date, place and hour of Meetings, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles and the Act entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members   | <b>Twenty One days'<br/>notice of Meeting to<br/>be given</b>  |



entitled to vote thereat and in case of any other meeting, with the consent of 95% of the Members entitled to vote at the meeting, a meeting may be convened by a shorter notice. In case of an Annual General Meeting, if any business other than (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other meeting in any event, 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 (i) Director and the Manager (if any), (ii) every other key managerial personnel, and (iii) relatives of the foregoing persons. Without prejudice to the generality of the foregoing, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in other company of every Director, Manager (if any) and every other key managerial personnel of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than two per cent of the paid-up share capital of that other company. Where any item of business consists of approval to any documents by the Meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

<b>Omission to give notice not to invalidate a resolution passed</b>	93.	The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting.
<b>Business mentioned in the Notice only to be discussed</b>	94.	No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
<b>Quorum at General Meeting</b>	95.	Subject to the provisions of the Act, all General Meetings shall require a quorum of at least (i) 5 (five) shareholders present in person or through their representative if the number of shareholders as on the date of the meeting is not more than 1000 (one thousand), (ii) 15 (fifteen) shareholders present in person or through their representative if the number of shareholders as on the date of the meeting is more than 1000 (one thousand) but up to 5000 (five thousand), or (iii) 30 (thirty) shareholders present in person or through their representative if the number of shareholders as on the date of the meeting is more than 5000 (five thousand).
<b>Body corporate personally present</b>	96.	A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with section 113 of the Act.
<b>If quorum not present meeting to be dissolved or adjourned</b>	97.	If the quorum is not present within half an hour from the time appointed for the General Meeting, the General Meeting shall be adjourned to the same day in the next week at the same place and time or to such other date and such other place and time as the

Board may determine. In the absence of a valid quorum within half an hour from the time appointed for holding meeting, at such adjourned Meeting ("**Adjourned General Meeting**"), the shareholders present in person or through their representative thereat shall, notwithstanding anything to the contrary herein contained, constitute a quorum and all business transacted thereat shall be regarded as having been validly transacted.

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| 98.  | The Chairman of the Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extra-ordinary. If the Chairman of the Directors is not be present within thirty minutes of the time appointed for holding such meeting then the Members present shall elect another Director as Chairman, and if no Director be present or if all Directors present decline to take the Chair, then the Members present shall elect one of their member to be the Chairman. The Chairman shall not have any casting vote.  | <b>Chairman of<br/>General Meeting</b>                                       |
| 99.  | No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.  | <b>Business confined to<br/>election of Chairman<br/>whilst chair vacant</b> |
| 100. | The Chairman with the consent of the Meeting may adjourn any Meeting from time to time and from place to place within the city or town in which the Office of the Company is situate for the time being but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.  | <b>Chairman with<br/>consent may<br/>adjourn meeting</b>                     |
| 101. | Subject to Article 88 and the Act, 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 results of the show of hands/electronic voting) ordered to be taken by the Chairman on his own motion or demanded by any Member or Members present in person or by proxy and holding Shares in the Company (i) 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 (ii) on which an aggregate sum of not less than five lakh rupees has been paid-up; and unless a poll is demanded or voting is carried out electronically, a declaration by the Chairman, that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution. | <b>Questions at<br/>General Meeting<br/>how decided</b>                      |
| 102. | If a poll is demanded as aforesaid, the same shall, subject to Article 104, be taken at such time (not later than forty eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting or by ballot as the Chairman shall direct, and either at one or after an interval or adjournment, or   | <b>Poll to be taken if<br/>demanded</b>                                      |

otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

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| <b>Scrutineers at poll</b>  | 103. | Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause. |
| <b>In what case poll taken without adjournment</b>                  | 104. | Any poll, duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.  |
| <b>Demand for poll not to prevent transaction of other business</b> | 105. | The demand for a poll except on the question of the election of the Chairman and of an adjournment 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.   |

## **XV. VOTE OF MEMBERS**

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| <b>Members in arrears not to vote</b>           | 106. | No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of class of shareholders either upon a show of hands or upon a poll or electronically, in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and had exercised, any right of lien.  |
| <b>Number of votes to which Member entitled</b> | 107. | Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of Shares for the time being forming part of the Share Capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands every Member present in person shall have one vote and upon a poll the voting rights of every Member whether present in person or by proxy, shall be in proportion to his Share of the Paid-up Share Capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in section 47 of the Act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the right attached to his preference shares. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and such other provisions of the Act as may be applicable, and shall vote only once. |

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| 108. | 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.  | <b>Casting of votes by a Member entitled to more than one vote</b> |
| 109. | A Member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hand or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy. If any Member be a minor, the votes in respect of his Share or Shares shall be by his guardian, or any one of his guardians, if more than one, to be elected in case of dispute by the Chairman of the meeting.   | <b>How Member incompetent and minor may vote</b>                   |
| 110. | If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such Shares as if he were solely entitled therein but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint-holders be present at any meeting, that one of the said person so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such Shares, but the other or others of the joint-holders shall be entitled to be present at the meeting, several executors or administrators of a deceased Member in whose names Share shall stand for the purpose of these Articles be deemed jointholders thereof. | <b>Vote of joint Members</b>                                       |
| 111. | Notwithstanding anything contained in these Articles of the Company, the Company may adopt the mode of passing a resolution by its Members by means of postal ballot (including voting by electronic mode) and/or other ways as may be prescribed by the Central Government in this behalf and in respect of matters relating to such business as the Central Government may by notification declare to be conducted only by postal ballot instead of transacting such business in the General Meeting of the Company. The Company shall comply with the procedure for such postal ballot and/or other ways prescribed by the Central Government in this regard from time to time.   | <b>Postal Ballot</b>   |
| 112. | Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with section 113 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.   | <b>Voting in person or by proxy</b>                                |
| 113. | Any person entitled under Article to transfer any Share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that forty eight hours, at least, before the time of holding the meeting or adjourned   | <b>Votes in respect of Shares of deceased or insolvent Members</b> |

meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such Shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

<b>Appointment of Proxy</b>	114.	Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or an attorney duly authorised by it and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.
<b>Proxy either for a specified meeting or for specified period</b>	115.	An instrument of proxy may appoint a proxy either for purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting of the Company, or of every meeting to be held before the date specified in the instrument and any adjournment of any such meeting.
<b>Deposit of instrument of appointment</b>	116.	The instrument appointing a proxy and the Power of Attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office not later than forty eight hours before the time for holding the meeting of which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months form the date of its execution.
<b>Form of Proxy</b>	117.	Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in section 105 of the Act.
<b>Validity of Votes given by proxy notwithstanding death of Member</b>	118.	A vote given in accordance with the terms of instrument of proxy shall be valid notwithstanding the previous death or insanity 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 Share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.
<b>Time for objection to vote</b>	119.	No objection shall be made to the validity of any vote, except at any 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.
<b>Chairman of any meeting to be the judge of validity of vote</b>	120.	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.

121. (a) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- (c) In no case shall the minutes of proceedings of a meeting be attached to any such books as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- (f) Nothing herein contained shall require or be deemed to require the inclusion in any such minute of any matter which in the opinion of the Chairman of the meeting (a) is, or could reasonably be regarded as, defamatory of any person, or (b) is irrelevant or immaterial to the proceeding, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (g) Any such minutes shall be evidence of the proceedings recorded therein.
- (h) The book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charges.

**Minutes of General Meeting and inspection thereof by Members**

## **XVI. DIRECTORS**

122. The minimum number of Directors on the Board shall be three and the maximum number of Directors on the Board shall be fifteen. Provided, further, the maximum number of Directors on the Board can exceed fifteen (15), after obtaining the consent of the Shareholders, by way of a special resolution.
123. The Board of Directors may, from time to time, appoint any person or persons as Whole-time Director or Whole-time Directors either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office and may, from time to time

**Appointment of Whole-time Director**

(subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

**Appointment of  
Special Director**

124. On behalf of the Company, whenever Directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as "**the appointer**") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever, the Directors shall have, subject to the provisions of section 152 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and traveling expenses to such Director or Directors as may be agreed by the Company with the appointer.

**Chairman Emeritus**

125. The Board has designated Mr. Subhash Dandekar as the Chairman Emeritus of the Board, who shall continue to be the Chairman Emeritus (on the same terms and conditions as in force at the time of such designation) until such time as he opts for retirement. Upon his retirement, the Board may, if it so desires, appoint as Chairman Emeritus, an individual who has served the Company as a Director. Such Chairman Emeritus may remain an invitee (and not a Director) on the Board and shall have the right to attend any meetings of the Board (but not vote thereat).

**Debenture Directors**

126. If it is provided by any trust deed, security or otherwise, in connection with any issue of Debentures of the Company, that any persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as "**Debenture Director**". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification share.

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| 127. | The Board may appoint an alternate Director to act for a Director (hereinafter called " <b>the Original Director</b> ") during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held, and an alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed, and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to the State aforesaid, any provision for the automatic re-appointment of the retiring Director in default of another appointment shall apply to the Original Director and not to the alternate Director. | <b>Appointment of<br/>Alternate Directors</b>                        |
| 128. | Subject to the provision of sections 161 and 152 of the Act the Board shall have the power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 122. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.   | <b>Directors' Power to<br/>add to the Board</b>                      |
| 129. | Subject to the provisions of section 161 of the Act the Board shall have power at any time from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if it had not been vacated by him.   | <b>Directors' Power to<br/>fill casual vacancy</b>                   |
| 130. | A Director shall not be required to hold any qualification shares.  | <b>Qualification of<br/>Director</b>                                 |
| 131. | <p>(a) Subject to the provisions of the Act, Directors of the Company, including Managing Director or Directors who are in the Wholetime employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, within the limits as specified in sections 196 and 197 of the Act.</p> <p>(b) The fees payable to a Director for attending a meeting of the Board of Directors or a Committee thereof shall be decided by the Board of Director from time to time, within the ceilings laid down under the applicable provisions of the Act.</p>  | <b>Remuneration of<br/>Director</b>                                  |
| 132. | If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a Member of any committee formed by the Directors) the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration, subject to provisions of the Act and confirmation by the Company in General Meeting.  | <b>Special<br/>remuneration for<br/>performing extra<br/>service</b> |



**Traveling expenses  
incurred by Director**

133. A Director shall be entitled to be repaid and reimbursed traveling, hotel and other expenses incurred in connection with the business of the Company.

**When office of  
Directors to be  
vacated**

134. Subject to section 167 of the Act the office of Director shall become vacant if:
- (a) he is found to be of unsound mind by a court of competent jurisdiction;
  - (b) he applied to be adjudicated as an insolvent; or
  - (c) he is adjudicated an insolvent; or
  - (d) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
  - (e) he fails to pay any call made on him in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the date fixed for the payment of such calls unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
  - (f) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board 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 director, accepts a loan or any guarantee or security for a loan, from the Company is in contravention of section 185 of the Act; or
  - (h) he acts in contravention of section 184 of the Act, or
  - (i) he becomes disqualified by an order of the court under section 203 of the Companies Act, 1956; or
  - (j) he is removed in pursuance of section 169 of the Act; or
  - (k) he is deemed to have vacated office under the provisions of section 314 of the Act by holding any place of profit in contravention thereof; or
  - (l) he resigns his office by a notice in writing addressed to the Company 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.

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| 135. | The Company may enter into a contract with its related party, subject to compliance with section 188 of the Act. For the purposes of this Article 135, "related party" shall have the meaning ascribed to such term under section 2(76) of the Act.  | <b>Directors may contract with Company</b>                             |
| 136. | <p>A 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:</p> <p>(a) with a body corporate in which such Director or such Director in association with any other Director, holds more than 2% shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or</p> <p>(b) with a firm or other entity in which, such director is a partner, owner or member, as the case maybe.</p>  | <b>Disclosure of Interest</b>  |
| 137. | A Director shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in section 184(2) of the Act and shall not participate in such meeting; provided that nothing in this Article shall preclude him from participating in such meeting.  |  |
| 138. | The Company shall keep a register in accordance with section 189(1) of the Act and shall within the time specified in section 189 (2) of the Act, enter therein such of the particulars as may be relevant having regard to the application thereto of section 188 or section 184 of the Act as the case may be. The register shall be kept at the Office of the Company and shall be open to inspection at such office, and extracts may be taken the refrom and copies thereof may be required by any member of the Company to the same extent in the same manner and, in case of non-members, on payment of the same fee as in the case of the Register of Members of the Company, and the provisions of section 94 of the Act shall apply accordingly. | <b>Register of Contracts in which Directors are interested</b>         |
| 139. | A Director may be or become a Director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as sections 196, 197 and/or section 188 of the Act may be applicable.  | <b>Directors may be Directors of Companies promoted by the Company</b> |
| 140. | At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.  | <b>Retirement of Directors by rotation</b>                             |
| 141. | The Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of Directors by rotation, subject to compliance of the Act and the Rules made thereunder.  | <b>Ascertainment of directors retiring by rotation</b>                 |

<b>Eligibility for re-election</b>	142.	A retiring Director shall be eligible for re-election.
<b>Company to appoint successor</b>	143.	Subject to sections 149 and 161 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill-up the vacated office by electing a person thereto.
<b>Provision in default of appointment</b>	144.	<p>(a) If the place of the retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if the day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and that Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned Meeting, unless:</p> <p>(i) At the Meeting or at the previous Meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;</p> <p>(ii) The retiring Director, has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;</p> <p>(iii) He is not qualified or is disqualified for appointment;</p> <p>(iv) A resolution, whether Special or Ordinary, is required for the appointment by virtue or any provisions of the Act; or</p> <p>(v) Section 162 of the Act is applicable to the case.</p>
<b>Company may increase or reduce the number of Directors</b>	145.	Subject to section 149 of the Act the Company may, by Ordinary Resolution, from time to time increase or reduce the number of Directors, and may alter their qualifications and the Company may (subject to the provisions of section 169 of the Act) before the expiration of his period of office appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
<b>Appointment of Director other than retiring one</b>	146.	<p>(a) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him has, not less than fourteen days before the Meeting, left at the Office of the Company a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such Member to propose him as a candidate for that office provided such notice is in accordance with the provisions of section 160 of the Act.</p>

- (b) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.
- (c) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under section 161 of the Act, appointed as a Director or re-appointment as an additional or Alternate Director, immediately on the expiry of his terms of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

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| 147. | The Company shall keep at its Office a Register containing the particulars of its Directors and key managerial personnel in accordance with section 170 of the Act, and shall otherwise comply with the provisions of the said section in all respects.  | <b>Register of Directors etc. and notification of change to the Registrar</b> |
| 148. | Every Director and key managerial personnel shall give notice to the Company of such matters relating to himself as may be necessary for the purposes of enabling the Company to comply with the provisions of section 170 of the Act.   | <b>Disclosure by a Director of his holdings, Shares and debentures, etc.</b>  |
| 149. | <p>The Chief Executive Director/Managing Director shall not exercise the powers to:</p> <ul style="list-style-type: none"> <li>(a) Make calls on shareholders in respect of money unpaid on their Shares in the Company;</li> <li>(b) Issue debentures, and except to the extent authorised in a resolution passed at a Board Meeting in accordance with the provisions of section 179 of the Act, shall also not exercise the power to:               <ul style="list-style-type: none"> <li>(i) Borrow monies;</li> <li>(ii) Invest the funds of the Company;</li> <li>(iii) Make loans or give guarantee or provide security in respect of loans; and</li> <li>(iv) undertake any actions listed in Section 179(3) of the Act.</li> </ul> </li> </ul> | <b>Restrictions on Management</b>   |
| 150. | <p>The Company shall not appoint or employ or continue the appointment of, a person as its Managing Director or Wholetime Directors who</p> <ul style="list-style-type: none"> <li>(a) Is an undischarged insolvent, or has at any time been adjudicated an insolvent;</li> </ul>  | <b>Certain persons not to be appointed Managing Director</b>                  |

- (b) Suspends, or has at any time suspended payments to his creditors, or makes, or has at any time made, a composition with them; or
- (c) Is, or has at any time been, convicted by a court of any offence involving moral turpitude.

**Special position of  
Managing Director**

151. If a Managing Director ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director.

## **XVII. PROCEEDINGS OF THE BOARD OF DIRECTORS**

**Meeting of Directors**

152. The Board may meet for the dispatch of business from time to time and at least four such meetings shall be held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they may think fit.

**Notice of Board  
Meeting**

153. A meeting of the Board may be called by the Chairman of the Board or any Director giving notice in writing to the Secretary specifying the date, time and agenda for such meeting. The Secretary shall upon receipt of such notice give a copy of such notice to all Directors of such meeting, accompanied by a written agenda specifying in reasonable detail the business of such meeting. The Company shall ensure that notice of a meeting of the Board shall be accompanied by necessary background and other information and/or supporting documents pertaining to the business proposed to be transacted thereat. Not less than 7 (seven) Business Days' notice of a meeting of the Board shall be given to all Directors; provided, however, that such notice period: (i) shall not apply in the case of an Adjourned Board Meeting pursuant to Article 155; and (ii) may be reduced with the written consent of a majority of the Directors.

**Quorum**

154. Subject to section 174 of the Act, all meetings of the Board shall require a quorum of the higher of 2 (two) Directors or 1/3rd (one third) of the total strength of the Board out of which at least one Director shall be a director nominated by Kokuyo.

**Adjournment of  
meeting for want of  
quorum**

155. (a) If quorum as per the Act is not present within 1 (one) hour from the time appointed for the meeting, the meeting shall adjourn to such place and time as those Directors who did attend shall decide or, if no such decision is reached, at the same place and time 7 (seven) Business Days later, at which meeting ("Adjourned Board Meeting") the Directors present shall constitute a valid quorum, provided that written notice of such Adjourned Board Meeting shall have been delivered to all Directors at least 5 (five) Business Days prior to the date of such Adjourned Board Meeting.

- (b) The Chairman of the Directors shall be entitled to take the chair at every Board meeting. If the Chairman is not present within thirty minutes of the time appointed for holding such meeting then the Directors present shall elect another Director as Chairman.

156. The Chairman of the Board shall not have a second or casting vote.

157. At any Board meeting, each Director may exercise one vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted meeting of the Board or in the case of a circular resolution signing by the majority of the Directors entitled to vote on the resolution. The Board shall not at any meeting adopt any resolution covering any matter that is not expressly specified on the agenda for such meeting unless a majority of the Directors present at such meeting vote in favour of such resolution.

**Voting**

158. Subject to the provisions of the Act, Directors may participate in Board meetings by telephone or video conferencing or any other means of contemporaneous communication, provided that each Director must acknowledge his presence for the purpose of the meeting and any Director not doing so shall not be entitled to speak or vote at the meeting. A Director may not leave the meeting by disconnecting his telephone or other means of communication unless he has previously obtained the express consent of the chairman of the meeting and a Director shall conclusively be presumed to have been present and formed part of the quorum at all times during the meeting unless he has previously obtained the express consent of the chairman of the meeting to leave the meeting as aforesaid.

**Telephone/Video Participation**

159. A meeting of the Board for the time being at which a quorum is present, shall be competent to exercise all or any of the authorities, power and discretions which by or under the Act or these Articles of the Company are for the time being vested in or exercisable by the Board generally.

**Powers of Board Meeting**

160. (a) Subject to the restrictions contained in section 179 of the Act, and these Articles, the Board may, from time to time, constitute committees of the Board (consisting exclusively of Directors) and may determine their functions, powers, authorities and responsibilities. The Board shall be entitled to delegate powers to the managing director, manager or any principal officer of the Company, or such Committees that the Board may create to assist it in its business strategy and objectives. The Board may from time to time revoke and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, but every committee of the Board 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 Board. All acts done by any such committee of the Board in

**Directors may appoint Committee**

conformity with such regulations and in fulfilment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Board.

- (b) Notwithstanding anything contained in this Article 160, subject to applicable Law, each committee of the Board so constituted shall be comprised of a majority of Directors nominated by Kokuyo.

**Meeting of  
committee how to  
be governed**

161. The meeting and proceedings of any such committee of the Board consisting of two or more Members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. The provisions of Articles 155 to 158 shall *mutatis mutandis* apply to the meeting of such committee.

**Circular Resolution**

162. 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, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution.

**Acts of Board or  
Committee valid,  
notwithstanding  
informal  
appointment**

163. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director, or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. 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.

**Minutes of  
Proceedings of  
meetings of the  
Board**

164. (a) The Company shall cause minutes of all the proceedings of every meeting of the Board to be kept by making within thirty days of the conclusion of every such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the chairman of the next succeeding meeting.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointment of officers made at any of the meeting aforesaid shall be included in the minute of the meeting.
- (f) The minutes shall also contain –
  - (i) The name of the Directors present at the meeting; and
  - (ii) In the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring in, the resolution.
- (g) Nothing contained in Article 164 (a) to (f) of this Article shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –
  - (i) Is, or could reasonably be regarded as, defamatory of any person;
  - (ii) Is irrelevant or immaterial to the proceedings; or
  - (iii) Is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.
- (h) Minutes of meeting kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

165. Subject to the provisions of these Articles and the Act, the Board shall be responsible for the management, supervision, direction and control of the Company and, as a holding company, its Subsidiaries. The daily management of the Company and its Subsidiaries shall be entrusted to the Chief Executive Officer/Managing Director and the Executive Directors.

#### **Powers of the Board**

The Board may exercise all such powers of the Company and do all such acts and things as are not by the Act, or any other Act or by the Memorandum or by these Articles, required to be exercised by the Company in General Meeting, as specified hereunder:

- (a) Sell, lease of 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 the repayment of, any debt due by a Director;
- (c) Invest otherwise than in trust securities the amount of compensation received by it as a result of such merger or amalgamation; or



- (d) Borrow moneys where the money 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 Share Capital of the Company and its free reserves, that is to say, reserves not set apart for the specific purpose.

166. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Articles, but it is hereby declared that the Directors shall have the following powers. That is to say, power:

**Certain Power of the Board**

- (a) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

**Payment out of Capital**

- (b) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of the Act.

**To acquire property**

- (c) Subject to sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights, or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonable satisfactory.

**To pay for property, etc.**

- (d) At their discretion and subject to the provisions of the Act, to pay for any property, rights, or privileges acquired or privileges acquired or services rendered to the Company, either wholly or partially, in cash or in Shares, bonds, debentures, mortgages, or other securities of the such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

**To secure contracts**

- (e) 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 uncalled capital for the time being or in such manner as they may think fit.

**To accept surrender of Shares**

- (f) To accept from any Member, as far as may be permissible by law, a surrender of his Share or any part thereof, on such terms and conditions as shall be agreed.

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| (g) | To appoint any person to accept and hold in trust for the Company and property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.  | <b>To appoint Trustees</b>                 |
| (h) | To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise payment or satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any difference to arbitration, and observe and perform any awards made thereon.   | <b>To bring and defend action</b>          |
| (i) | To act on behalf of the Company in all matters relating to bankrupts and insolvents.  | <b>To act on insolvency</b>                |
| (j) | To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company.  | <b>To give receipt</b>                     |
| (k) | Subject to the provisions of sections 179, 180, 185 and 186 of the Act, to invest, deposit and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being Shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realize such investments. Save as provided in the proviso to section 187(1) of the Act, all investments shall be made and held in the Company's own name. Notwithstanding anything contained in the Act or these Articles, the Company can hold investments in the name of the Depository when such investments are in the form of securities held by the Company as a beneficial owner. | <b>To invest moneys</b>                    |
| (l) | To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale, and such other powers, provisions, covenants and agreements as shall be agreed upon.  | <b>To provide for personal Liabilities</b> |
| (m) | 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 and to give necessary authority for such purpose.   | <b>To authorise acceptances</b>            |
| (n) | To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.  | <b>To pay bonus, etc. to employee</b>      |

**To provide for  
welfare of employee**

- (o) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions, or 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 Board shall think fit, and subject to the provisions of sections 180, 185 and such other provisions of the Act, as may be applicable, to subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.

**To create Reserve  
Fund**

- (p) Before recommending any dividend to set aside, out of the profit of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding Article), as the Board may in their absolute discretion think conducive to the interest of the Company, and subject to section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expand the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expanded; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division of a Reserve Fund and with full power to employ the assets constitution all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock, and 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 Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

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| <p>(q) To appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries, or emoluments or remuneration, and to require security such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the next two sub-Articles shall be without prejudice to the general powers conferred by this Article 166(q).</p>  | <p><b>To appoint Manager, etc.</b></p>          |
| <p>(r) From time to time and at any time, to establish any local committee 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 such local committees, and to fix their remuneration.</p>  | <p><b>To appoint local committee</b></p>        |
| <p>(s) At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such power, authorities, and discretions (not exceeding those vested in or exercisable by the Board under these Articles and excluding the power to make calls and excluding also except in the limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and to any such appointment may (if the Board thinks fit) be made in favour of the Members of any local committee, established as aforesaid or in favour of any Company or the shareholders, 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 Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain Powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the Power, authorities and discretions for the time – being vested in them.</p> | <p><b>To authorise by Power of Attorney</b></p> |
| <p>(t) Subject to section 188 of the Act for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient.</p>  | <p><b>To negotiate</b></p>                      |

<b>To make and vary regulations</b>	(u)	From time to time make, vary or repeal bye-laws for the regulation of the business of the Company, its officers and servants.
<b>Amendments to Accounts</b>	167.	The Director shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the audited account of the Company of any Financial Year which have been laid before the Company in General Meeting. The amendments to the accounts effected by the Directors in pursuance on this Article shall be placed before the Members in General Meeting for their consideration and approval.
<b>Prohibition of simultaneous appointment of Management Director &amp; Manager</b>	168.	The Company shall not appoint or employ at the same time more than one of the following categories of management personnel namely; (a) Managing Director, and (b) Manager.
<b>Secretary</b>	169.	The Directors shall from time to time appoint a Secretary and at their discretion, remove any such Secretary to perform any function, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Director. The Directors may also at any time appoint any person or persons (who need not be the Secretary) to keep the registers required to be kept by the Company.
<b>The Seal, its custody and use</b>	170.	<p>(a) The Board shall provide a Seal for the purposes 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 Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an official Seal in accordance with section 50 of the Companies Act, 1956 and/or the applicable provisions of the Act for use in any territory, district or place outside India.</p> <p>(c) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.</p>
<b>Deed how executed</b>	171.	Every deed or other instrument, to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney be signed by one Director or some other person appointed by the Board for the purpose provided that in respect of the Share certificate the Seal shall be affixed in accordance with the Act.

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| 172. | The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, shall be divisible among the Members in proportion to the amount of capital paid-up or credited as paid-up and to the period during the year for which the capital is paid-up on the Shares held by them respectively.  | <b>Division of profits</b>   |
| 173. | The Company in General Meeting may declare dividends, to be paid to its Members according to their respective rights but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.  | <b>In General Meeting may declare dividends</b>                          |
| 174. | <p>No dividend shall be declared or paid otherwise by the Company for any Financial Year out of profits for that year arrived at after providing for depreciation in accordance with the provisions of section 123 of the Act, except after the transfer to the reserves of the Company of such percentage of its profits of the Company for any previous Financial Year or years, arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both. Provided that:</p> <p>(a) If the Company has incurred any loss in any previous Financial Year or years it shall before declaring or paying a dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous year or years.</p> <p>(b) If the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or years whichever is less, shall be set off against the profit of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of section 123 of the Act or against both.</p> <p>(c) Provided further that no dividend shall be declared or paid for any Financial Year out of the profits of the Company for that year arrived at after providing for depreciation as above, except, after the transfer to the reserve of the Company of such percentage of its profits for that year as may be prescribed in accordance with section 123 of the Act or such higher percentage of its profits as may be allowed in accordance with that section.</p> | <b>Conditions of declaration of dividend</b>                             |
| 175. | The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies.   | <b>Interim Dividend</b>  |
| 176. | Where capital is paid in advance of calls, such capital may carry interest but shall not in respect confer a right to dividend or to participate in profits.  | <b>Capital paid-up in advance carrying interest not to earn dividend</b> |

<b>Dividend to be paid pro rata</b>	177.	<p>Subject to the right of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any Share in the Company, dividends may be declared and paid accordingly to the amounts of the Shares.</p> <p>No amount paid or credited as paid on Shares in advance of calls shall be treated for the purpose of this regulation as paid on Shares.</p> <p>All dividend shall be apportioned and paid proportionately to the amount paid or credited as paid on the Share during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share, rank for dividend accordingly.</p>
<b>Retention of Dividend until completion of transfer under Article 68</b>	178.	<p>The Board may retain the dividends payable upon Shares in respect of which any person is, under Article 68 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.</p>
<b>Dividend etc. to joint holders</b>	179.	<p>Any one of the several persons who are registered as the joint holders of any Share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Share.</p>
	180.	<p>No Member to receive dividend whilst indebted to the Company and Company's right to reimbursement thereof</p>
	181.	<p>No Member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.</p>
<b>Transfer of Shares must be registered</b>	182.	<p>A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.</p>
<b>Manner of payment of dividend</b>	183.	<p>Unless otherwise directed, any dividend may be paid in any electronic mode or by cheque or warrant or by a pay slip or receipt having the force of a 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 of Members in respect of the joint holders. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the Member or person entitled thereto by the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.</p>

184. (a) If the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration to any shareholders entitled to the payment of the dividend the Company shall within seven days from the date of expiry of the said period of thirty (30) days open a special account in that behalf in any scheduled bank called **"the unpaid dividend account of Kokuyo Camlin Limited."** **Unclaimed dividends, deposits, etc. to be remitted to "Investor Education and Protection Fund"**
- (b) The following amounts shall be credited to the Investor Education and Protection Fund constituted by the Central Government under section 205C of the Companies Act, 1956 and/or the provisions of the Act:
- (i) Amounts in the unpaid dividend account of the Company;
  - (ii) The application moneys received by the Company for allotment of any securities and due for refund;
  - (iii) Matured deposits with the Company;
  - (iv) Matured debentures/bonds with the Company;
  - (v) The interest accrued on the amounts referred to in (i) to (iv) above;
  - (vi) Provided that no such amounts shall form part of the Investor Education and Protection Fund unless they remain unpaid/unclaimed for a period of seven years from the date they become due for payment.
185. No unpaid dividend shall bear interest as against the Company. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by Law and the Company shall comply with all the provisions of the Act and section 205A of the Companies Act, 1956 in respect of unpaid or unclaimed dividend. **Interest on Dividend**
186. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him, and so that the call may 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. **Dividend and call together**
187. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund or Capital Redemption Reserve Account, 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 Accounts) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same **Capitalization**



proportions on the footing that they become entitled thereto as capital and that all or any part of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued Shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Share or Debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum. Provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

- (b) A General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for Income tax, be distributed among the Members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the preceding sub-Articles of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution or any specific assets, and may determine that such cash payment shall be made to any Members upon the footing of the value so fixed or that fractions of less value than INR 10/- may be disregarded in order to adjust the right of all parties, and may vest any such cash or specific assets in trustees upon such trust for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with the Act, and the Board may appoint any persons to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

#### **XVIII. ACCOUNTS**

- 188. (a) The Company shall prepare and keep at the Office or at such other place in India as the Board thinks fit, books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company in accordance with section 128(1) of the Act.
- (b) When the Board decides to keep all or any of the books of account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight financial years together with the vouchers relevant to any entry in such books of account.
- (d) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns are periodically sent by branch office to the Company at its office or other place in India, at which the Company's books of accounts are kept as aforesaid.
- (e) The books of account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions and shall be open to inspection by any Director during business hours.

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| 189. | Directors shall be entitled to examine the books of accounts and records of the Company and shall have free access, at all reasonable times and with prior reasonable written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business affairs and financial position of the Company or its Subsidiaries, as the Directors may reasonably require.  | <b>Directors' Access</b>  |
| 190. | The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Director, and no Member (not being a Director) shall have any right of inspecting any account or book or documents of the Company except as conferred by law or authorised by the Board.   | <b>As to inspection of accounts or books by Members</b>         |
| 191. | The Directors shall from time to time, in accordance with sections 129 and 134 of the Act and such other provisions of the Act, as may be applicable, cause to be prepared and to be laid before the Company in General Meeting, such balance sheets, profit and loss accounts and reports as are required by these sections.   | <b>Statement of Accounts to be furnished to General Meeting</b> |
| 192. | A copy of every such profit and loss account and balance sheet (including the Auditors' report and every other document required by Law to be annexed or attached to the balance sheet) shall at least twenty-one days before the meeting at which the same are to be laid before the Members, be sent to the Members of the Company and to other persons entitled thereof in accordance with section 136 of the Act, provided that it shall be sufficient if the copies of the aforesaid documents are made available by the Company for inspection at its Office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit, is sent to every Member of the Company and to every other person entitled thereto in accordance with section 136 of the Act, not less than twenty-one days before the date of the meeting. Provided that any Member or debenture | <b>Copies to be sent to each Member</b>                         |

holder and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand, be entitled and of every document required by Law to be annexed or attached thereto, including the profit and loss account and the auditors' report.

### **XIX. AUDIT**

<b>Account to be audited</b>	193.	Auditors shall be appointed and their rights and duties regulated in accordance with sections 139 to 148 of the Act.
<b>Service of documents or notices on Members by the Company</b>	194.	A document or notice may be served or given by the Company on 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 supplied by him to the Company for serving documents or notices on him.
<b>Manner of service of documents or notices</b>	195.	Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the documents or notice, provided that where a Member has intimated to the Company in advance that documents or notices 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 such service shall be deemed to have been effected in the case of notice of a meeting at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.
<b>By advertisement</b>	196.	A document or notice advertised in a newspaper circulating in the city in which the Office of the Company is situate shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has not registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notice to him.
<b>On joint-holders</b>	197.	A document or notice may be served or given by the Company on or to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the Share.
<b>On personal representatives etc.</b>	198.	A document or notice may be served or given by the Company on or 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 or representatives of the deceased, or assignees of the insolvent or by any like description, at the address (if any) in India supplied of the purpose by the persons claiming to be so entitled or (until such an address has been so

supplied) by serving the documents or notice in any manner in which the same might have been given if the death or insolvency has not occurred.

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| 199. | Documents or notices of every General Meeting shall be served or given in same manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor/s for the time being of the Company.   | <b>To whom documents or notices must be served or given.</b>                        |
| 200. | Every person, who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share shall be bound by every document or notice in respect of such Share which prior to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such Share. | <b>Members bound by documents or notices served on or given to previous holders</b> |
| 201. | Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.   | <b>Documents or notices by company and signature thereof</b>                        |
| 202. | All documents or notices to be served or given by Members on or to the Company or any officer at the office by post under a certificate of posting or by registered post, or by leaving it at the Office.  | <b>Services of documents or notice by Member</b>                                    |

## **XX. WINDING-UP**

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| 203. | The liquidator on any winding-up (whether voluntary, and supervision or compulsory) may with the sanction of a Special Resolution, but subject to the rights attached to any preference Share Capital, divide among the contributors in specie any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefits of the contributors as the liquidator, with the like sanction shall think fit. | <b>Distribution of Assets</b> |
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## **XXI. INDEMNITY AND RESPONSIBILITY**

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| 204. | Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in relation to the business of the Company in defending any proceeding whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 463 of the Act in which relief is granted to him by the court. | <b>Officers' and others right to indemnity</b>                 |
| 205. | Subject to provisions of the Act, no Director, Manager or other officer of the Company shall be liable for the act, or neglects of any other Director or officer or for joining in any receipt or other act of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired   | <b>Directors, Managers, etc. not liable for acts of others</b> |

by order of the Directors, for and on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities, or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortunes whatever which shall happen in the execution of the duties of this officer or in relation thereto unless the same happen through his own dishonestly.

**Directors and  
Officers Insurance**

206. The Company and each Subsidiary shall procure suitable directors and officers' liability insurance in favour of its Board of Directors (including the Alternate Directors) and the board of directors of each Subsidiary from a reputable insurance company, in form and substance satisfactory to Kokuyo. Such insurance coverage shall be a minimum of INR 5,000,000 (Rupees five million) for each Director.

**XXII. SECRECY CLAUSE**

**Secrecy Clause**

207. (a) Every Director, Manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountants or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Director or by Law or by the person to whom such matter relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No Member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board it would be inexpedient in the interest of the Company to disclose.

We, the several persons whose names are subscribed, are desirous of being formed into a Company in accordance with these Articles of Association and we respectively agree to take the number of Shares in the Capital of the Company set opposite to our respective names.

Name, Address and Description of the subscription	Number of Shares taken by each subscriber	Name, Address and Descriptions of the Witness
Vishnu Parshuram Dandekar Merchant 210, Lady Jamshedji Road, Bombay – 28	10	G. G. DEO B.A., L.L.B 210, Lady Jamshedji Road Bombay - 28
Digambar Parshuram Dandekar Merchant 210, Lady Jamshedji Road, Bombay - 28	10	
Madhav Govind Dandekar Merchant 210, Lady Jamshedji Road, Bombay - 28	10	
Dated this 23rd day of December, 1946		

# **HIGH COURT, BOMBAY**

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## **IN THE HIGH COURT OF JUDICATURE AT BOMBAY** ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 580 OF 2006 WITH C.A. NO. 707 OF 2006  
WITH  
COMPANY PETITION NO. 581 OF 2006 WITH C.A. NO. 708 OF 2006

Camlin Limited.  
Camlin Fine Chemicals Ltd.

.....Petitioners.

Mr. Harvinder Toor i/by M/s. Crawford Bayley Sc Co. for the petitioners.

Ms. Madhuri Gaikwad with R.C. Master i/by Pankaj Kumar for the Regional Director.

CORAM : R. S. MOHITE, J.  
DATED : 17/11/2006

P.C.

1. Company Petition No. 580 of 2006 is filed by Camlin Limited which is the demerged company and Company Petition No. 581 of 2006 is filed by Camlin Fine Chemicals Limited which is the resulting company. Both these petitions are filed under Sections-391 to 394 of the Companies Act, 1956 seeking sanction to the Scheme of Arrangement for the transfer of demerged company into resulting company in accordance with the scheme set forth in Exh.A to the petition and for other consequential reliefs as prayed in the petitions,
2. The Regional Director has filed his affidavit dated 9.11.2006. I have perused the said affidavit. It indicates that after receipt of the petitions, copies of the petitions have been served upon, the Registrar of Companies. The said affidavit indicates that the report was called for from the Registrar of Companies and after receipt of the report dated 12.10.2006, same was examined by the Regional Director from various points namely Shareholders interest. Creditors interest and Public interest. The necessary information was called for from the petitioners and the same has been considered. The affidavit then deals with the various clauses of the scheme

and the said affidavit states that the Scheme inter alia provides that all the assets and liabilities other than those transferred to the demerged company under the scheme shall continue to belong to and be vested in the demerged company. Reference is made to the affidavit of Company Secretary of the transferor company, from which, it is evident that there are unpaid statutory tax liabilities on the transferor company. It is stated that save as aforesaid the scheme is not prejudicial to the interest of the creditors, shareholders and public.

3. I find that all the procedure has been followed. No objection has been received. In the circumstances, Company Petition No. 580 of 2006 is made absolute in terms of prayer clause (a) to (d) and the Company Petition No. 581 of 2006 is also made absolute in terms of prayer clause (a) to (d) with clarification that all the statutory dues also stand transferred to the resulting company. Both the companies to deposit an amount of Rs. 2500/- each towards the costs of the Regional Director within a period of three weeks from today.
4. Drawn up order is dispensed with Parties to act on a copy of this order duly certified by the Company Registrar of this Court.

(R.S. MOHITE, J.)



## **SCHEME OF ARRANGEMENT**

BETWEEN

CAMLIN LIMITED

AND

CAMLIN FINE CHEMICALS PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

Under Sections 391 to 394 and other applicable provisions of  
the Companies Act, 1956

This Scheme of Arrangement is presented for vesting of the Fine Chemicals Division (as defined in Clause 1.6) of Camlin Limited, as a going concern, into Camlin Fine Chemicals Limited, pursuant to the relevant provisions of the Companies Act, 1956.

### 1. DEFINITIONS

In this Scheme, unless in consistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 "Act" means the Companies Act, 1956 and any statutory modification or re-enactment thereof for the time being in force.
- 1.2 "Appointed Date" means July 1, 2006 or such other date as may be fixed or approved by the High Court.
- 1.3 "Camlin Fine Chemicals" or "the Resulting Company" means Camlin Fine Chemicals Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Hilton House 48/2, Central Road, MIDC, Andheri(East), Mumbai-400093.
- 1.4 "Camlin" or "the Demerged Company" means Camlin Limited, a company incorporated under the Indian Companies Act, 1913 (Act VII of 1913) and having its registered office at 9/B, Nanddeep Industrial Estate, Kondivita, J. B. Nagar, Andheri (East), Mumbai - 400059, Maharashtra.
- 1.5 "Effective Date" 'means the date on which the certified copies of the Orders of the High Court sanctioning the Scheme are filed with the Registrar of Companies at Mumbai, Maharashtra or the Appointed Date, whichever is later.

- 1.6 "Fine Chemicals Division" means and includes the undertaking comprising of :
- 1.6.1 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) pertaining to the Fine Chemicals Division of the Demerged Company including but without being limited to plant and machinery, buildings and structures, offices, residential and other premises, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, deposits, all stocks, assets, cash balances with banks, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Fine Chemicals Division, whether in India or abroad;
  - 1.6.2 All deposits, advances, loans, receivables, funds, staff advances, advance payments to regulatory authorities, cash, bank balances, accounts and all earnest money and/or deposits including security deposits made / paid by the Demerged Company in connection with or relating to the Fine Chemicals Division.
  - 1.6.3 All necessary records, files, papers, process information, computer programmes, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Fine Chemicals Division of the Demerged Company.
  - 1.6.4 Without prejudice to the generality of the foregoing, it is clarified that all consents, permissions, licenses, certificates, authorities relating to the Fine Chemicals Division shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.
  - 1.6.5 Without prejudice to the generality of the above, all benefits or incentives including income tax, excise, sales tax (including deferment of sales tax) and any other direct or indirect taxes, benefits in respect of the Fine Chemicals Division for which the Demerged Company is entitled to in terms of the various statutes and/or schemes of Union and State Governments, shall be available to and vest in the Resulting Company.

1.6.6 Without prejudice to the generality of the above, the following brand, trademark or tradename shall be transferred to the Resulting Company;

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It is further clarified that all other brands, trademarks, tradenames, etc. including but not limited to 'Camlin' and 'Camel' shall continue to be property of the Demerged Company and that the Resulting Company shall be allowed to use the word 'Camlin' in its name only.

1.6.7 All liabilities pertaining to/arising out of the activities or operations of the Fine Chemicals Division including the following :

- specific loans and borrowings raised, term loans from banks and financial institutions, bank overdrafts, working capital loans & liabilities, amount due to small scale, industrial undertakings raised incurred and utilised solely for the activities or operation of the Fine Chemicals Division.
- liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Demerged Company if any, allocated to the Fine Chemicals Division in the same proportion in which the value of the assets (ignoring, the revalued amount) transferred under this Scheme bear to the total value of the assets of the Demerged Company immediately before giving effect to this Scheme.

Provided however that any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Fine Chemicals Division or whether it arises out of the activities or operations of the Fine Chemicals Division shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

1.6.8 All employees, staff and workers of the Demerged Company employed in the Fine Chemicals Division, as identified by the Board of Directors of the Demerged Company;

1.7 "High Court" means the High Court of Judicature at Mumbai, and shall include the National Company Law Tribunal as applicable.

1.8 "Record Date" means the date to be fixed by the Board of Directors or a committee thereof of the Demerged Company and the Resulting Company for the purposes of issue of shares in the Resulting Company to the shareholders of the Demerged Company upon demerger of the Fine Chemicals Division into the Resulting Company.

- 1.9 "Remaining Business" means all the businesses and divisions of the Demerged Company other than the Fine Chemicals Division.
- 1.10 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 15 of this Scheme.
- 1.11 "Stock Exchange" means the Stock Exchange on which the shares of the Demerged Company are listed.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court, shall be effective from the Appointed Date but shall be operative from the Effective Date.

## 3. SHARE CAPITAL

- 3.1 The share capital of the Demerged Company as on the latest audited Balance Sheet dated March 31, 2005 was as under :

Particulars	(Amount in Rs.)
Authorised Capital	
5,000,000 Equity Shares of Rs. 10 each	50,000,000
Issued, Subscribed and Paid-up	
4,800,000 Equity Shares of Rs. 10 each	48,000,000

As on the date of this Scheme being approved by the Board of Directors of the Demerged Company and the Resulting Company, there is no change in the authorised, issued, subscribed and paid-up share capital of the Demerged Company.

3.2 The share capital of the Resulting Company as on the latest audited Balance Sheet dated March 31,2005 was as under :<sup>2</sup>

Particulars	(Amount in Rs.)
Authorised Capital	
5,000 Equity Shares of Rs. 100 each	500,000
Issued, Subscribed and Paid-up	
1,003 Equity Shares of Rs. 100 each	100,300

Subsequent to the Balance Sheet date, the Issued, Subscribed and Paid-up equity share capital of the Resulting Company has been altered as follows:

- Re-organisation of its share capital by sub-dividing the face value of its equity share from Rs. 100 each to Rs. 10 each on 26th April, 2006.
- Increase in the Authorised Share Capital from Rs. 5,00,000/- (Rupees Five Lacs) to Rs. 50,00,000 (Rupees Five Crores) on 26th April, 2006; and
- Further issue of 39,970 equity shares of Rs. 10 each on 9th June, 2006 resulting in increase in the Issued, Subscribed and Paid-up share capital to Rs. 500,000/- (Rupees Five lacs) divided into 50,000 equity shares of Rs. 10 each.

4. VESTING OF UNDERTAKING

With effect from the Appointed Date and subject to the provisions of the Scheme, the Fine Chemicals Division of the Demerged Company, as defined in Clause 1.6, shall subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(1) of the Act, and in accordance with Section 2(19AA) of the Income Tax Act, 1961, and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 4.1 With effect from the Appointed Date the whole of the undertaking and properties/as aforesaid, of the Fine Chemicals Division shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and be vested in and/or be deemed to be transferred to and be vested in the Resulting Company, as at the close of the business on the day

3.2<sup>2</sup> Amended vide special Board Resolution dated 26th April, 2006 and 9th June,2006

immediately preceding the Appointed Date, so as to vest in the Resulting Company all the rights, title and interest of the Demerged Company therein.

- 4.2 With effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of the Demerged Company relating to the Fine Chemicals Division shall, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to and/or deemed to be transferred to the Resulting Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.3 The transfer and vesting of the Fine Chemicals Division as aforesaid, shall be subject to the existing securities, charges and mortgages, if any.
- 4.4 Upon the coming into effect of the Scheme, the borrowing limits of the Resulting Company in terms of section 293(l)(d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of the Demerged Company which are being transferred to the Resulting Company pursuant to the Scheme, such limits being incremental to the existing limits of the Resulting Company, with effect from the Appointed Date.
- 4.5 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or, provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect other parts of the Scheme.

## 5. CONSIDERATION

- 5.1 The Resulting Company shall, upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the entire undertaking of the Fine Chemicals Division in the Resulting Company, issue and allot fully paid equity shares, to the members of the Demerged Company holding fully paid-up equity shares in

the Demerged Company and whose names appear in the Register of Members as on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of Directors in the following proportion viz:-

1 (one) fully paid-up equity share of Rs.10 (Ten) each of the Resulting Company shall be issued and allotted for every 1 (one) fully paid-up equity share of Rs.10 (Ten) each held by the equity shareholders in the Demerged Company.

- 5.2 The new equity shares in the Resulting Company to be issued to the members of the Demerged Company pursuant to Clause 5.1 above shall be subject to the Memorandum and Articles of Association of the Resulting Company and shall be pari passu in all respects with the existing shares in the Resulting Company.
- 5.3 The issue and allotment of equity shares in the Resulting Company, by the Resulting Company to the shareholders of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by the Resulting Company as if the procedure laid down under Section 81(1 A) of the Act and any other applicable provisions of the Act were duly complied with. The Resulting Company shall obtain the necessary approval from its shareholders, as required, in terms of this Scheme only, under and pursuant to provisions of Section 391-394 of the Act, and the Resulting Company shall not, nor shall be obliged to call for a separate meeting of its shareholders for obtaining their approval sanctioning the change of name in terms of Section 81(1 A) of the Act.
- 5.4 In so far as the issue of shares pursuant to clause 5.1 is concerned, the Resulting Company shall distribute the said shares in dematerialised form to those equity shareholders who hold the shares of the Demerged Company in dematerialised form, provided all details relating to the account with the depository participant are available to the Demerged Company. All those equity shareholders who hold equity shares of the Demerged Company in certificate form will be distributed shares in the Resulting Company in the certificate form unless otherwise communicated in writing by the shareholders on or before the Record Date.

## 6. ACCOUNTING TREATMENT

### 6.1 In the books of the Resulting Company

6.1.1 The Resulting Company shall, upon the arrangement becoming operative, record the assets and liabilities of the Fine Chemicals Division of the Demerged Company vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the Demerged Company (excluding revaluation, if any) at the close of business of the day immediately preceding the Appointed Date.

6.1.2 The Resulting Company shall in its books of account credit to its Share Capital Account the aggregate face value of the equity shares issued by it to the member(s) of the Demerged Company pursuant to the Scheme.

6.1.3 The difference between value of the net assets of the Fine Chemicals Division transferred pursuant to this Scheme and the face value of equity shares allotted shall be transferred to the General Reserve Account. In case of there being a deficit, the same shall be debited to the Goodwill Account.

### 6.2 In the books of the Demerged Company

6.2.1 The aggregate of the net assets transferred to the Resulting Company standing in the books of the Demerged Company, shall be adjusted against the General Reserve Account.

## 7. CONDUCT OF BUSINESS

7.1 As and from the date of acceptance of this Scheme by the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company and till the Effective Date, the Demerged Company;

- (a) shall be deemed to have been carrying on all business activities relating to the Fine Chemicals Division and stand possessed of all the assets, rights, title, interest; and
- (b) of the Fine Chemicals Division for and on account of, and in trust for the Resulting Company;
- (c) shall ensure that all profits accruing or losses arising or incurred by it (including the effect of taxes if any thereon) from the Appointed Date till the Effective Date, relating to the Fine Chemicals Division shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Resulting Company;



- (d) shall carry on the business of the Fine Chemicals Division with reasonable care and diligence and in the same manner as it had been doing hitherto;
- (e) shall not, without the written concurrence of Board of the Resulting Company, alienate, charge or encumber any of its properties defined in Cause 1.6 and referred to in Clause 4 above except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Demerged Company and the Resulting Company;
- (f) shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees in relation to the Fine Chemicals Division.

7.2 With effect from the Effective Date, the Resulting Company shall continue and carry on and shall be authorised to carry on the businesses carried on by the Fine Chemicals Division of the Demerged Company.

## 8. STAFF, WORKMEN & EMPLOYEES

8.1 On the Scheme becoming operative, all staff, workmen and employees of the Fine Chemicals Division of the Demerged Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Resulting Company with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them in the Demerged Company on the Effective Date.

8.2 The equitable interest in accounts/funds of the employees, staff and workmen whose services are transferred to the Resulting Company, relating to superannuation, provident fund and gratuity fund shall be identified, determined and transferred to the respective Trusts/Funds of the Resulting Company and such employees shall be deemed to have become members of such Trusts/Funds of the Resulting Company. Until such time that the Resulting Company creates its own funds, the Resulting Company may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Fine Chemicals Division to the relevant funds of the Demerged Company. Such equitable interest pertaining to the

employees of the Fine Chemicals Division shall be transferred to the funds created by the resulting Company on creation of relevant funds by the Resulting Company.

## 9. LEGAL PROCEEDINGS

9.1 All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising at the Appointed Date in relation to the Fine Chemicals Division shall be continued and enforced by or against the Resulting Company in the manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.

9.2 Upon the coming into effect of the Scheme; all proceedings initiated by any third party (including regulatory authorities) by or against the Demerged Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Fine Chemicals Division shall, be continued and enforced by or against the Resulting Company after the Effective Date. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Fine Chemicals Division or not, the decision of the Board of Directors of the Demerged Company as to whether such proceeding relates to the Fine Chemicals Division or not, shall be conclusive evidence of the relationship with Fine Chemicals Division.

## 10. CONTRACTS DEEDS, ETC.

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to the Fine Chemicals Division and to which the Demerged Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Company, as the case may be, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

## 11. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Demerged Company under Clause 9 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.

## 12. REMAINING BUSINESS

The Demerged Company shall continue to carry on the Remaining Business. All the asset and liabilities other than those transferred to the Demerged Company under this Scheme shall continue to belong to and be vested in the Demerged Company. •

## 13. CHANGE IN NAME AND, MEMORANDUM & ARTICLES OF ASSOCIATION OF THE COMPANY.

Status of the Resulting Company has been changed from Private Limited to Public Limited w.e.f. 11th August, 2006 as also its name from Camlin Fine Chemicals Private Limited to Camlin Fine Chemicals Limited w.e.f. 11th August, 2006 under the approval accorded by the Registrar of Companies Maharashtra, Mumbai.

## 14. APPLICATION TO HIGH COURTS

The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make applications, under Sections 391 to 394 of the Act and other applicable provisions of the Act, to the High Court for seeking approval of the Scheme.

## 15. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Demerged Company and the Resulting Company by their respective Board of Directors may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Demerged Company and the Resulting Company by their respective Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts,

difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

**16. CONDITIONALLY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- 16.1 The approval by the requisite majority of the members and / or creditors of the Demerged Company, and the Resulting Company, as directed by the High Court under Sections 391 to 394 of the Act.
- 16.2 Certified copies of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies at Mumbai, Maharashtra by the Demerged Company and the Resulting Company.

**17. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in Clause 16 not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

**18. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne equally by the Demerged Company and the Resulting Company.