

- (d) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the members and the Company; or
- (e) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable laws; or
- (f) to any person(s), whether or not those persons include the persons referred to in the clauses above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to such conditions as may be prescribed under the Act and the rules made thereunder, if a Special Resolution to this effect is passed by the Company in a General Meeting."

## Shares and Certificates

Article 23 provides that,

- "(i) Every person whose name is entered as a member in the register of members shall be entitled without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer sub-division, consolidation, renewal or transmission or within such other period as the conditions of issue shall be provided,
  - (a) one certificate for all his shares without payment of any charges; or
  - (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees or as applicable for each certificate after the first.
- (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the company secretary, wherever the Company has appointed a company secretary. Provided that in case the Company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.
- (iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- (iv) Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive number of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may approve."

Article 24 provides that, "Every certificate shall be issued in accordance with the Companies (Share Capital and Debentures) Rules, 2014."

Article 25 provides that,

- "(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees (20) for each certificate. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under any other act or rules applicable in this behalf.
- (ii) The provisions of the Articles shall *mutatis mutandis* apply to debentures of the Company."

## Lien

Article 46 provides that,

- "(i) The fully paid shares will be free from all lien. Further, the Company shall have a first and paramount lien,
  - (a) on every share/debenture (not being a fully-paid share/debenture), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture; and
  - (b) on all shares/ debentures (not being fully paid shares/debentures) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the Company.
 Provided that in respect of any partly paid shares/ debentures of our Company, the lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares/ debentures  
 Provided that the Board of Directors may at any time declare any share/debenture to be wholly or in part exempt from the provisions of this clause. Unless otherwise agreed, the registration of a transfer of shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/ debentures.