

INFORMATION MEMORANDUM

LYPSA GEMS & JEWELLERY LIMITED

Incorporated on 30th November, 1995 Maloo Polymers Limited, a public limited company, was listed on Ahmedabad Stock Exchange in the year 1997. In the year 2008-09 the Company was taken over by Mr. Dipan Patwa and Mr. Manish Janani. Subsequently the name of the company was also changed to MALOO GEMS & JEWELLERY Ltd. on 12th January 2010. The name of the company was further changed to Lypsa Gems & Jewellery Limited on 07-03-2012. The company is now in the business of diamond manufacturing, trading, imports and exports.

Registered Office
306 MAHAVIR CHAMBERS,
TARATIA HANUMAN GALLI,
HAT FALIYU, HARIPURA,
SURAT 395003, GUJARAT, INDIA.
Tel: 91-261-260 9035,

Corporate Office
32 KALA BHAVAN,
3 MATHEW ROAD,
OPERA HOUSE,
MUMBAI 400 004.
TelFax : 91-22-2367 0031
E-mail: malooogems@gmail.com Website: www.maloogems.com
Contact Person
Manish Janani
Hemant Rathod
Ph No. 022-2367 0031, Fax No. 022-2367 0031,
E-mail: malooogems@gmail.com Website: www.maloogems.com

Information Memorandum for Listing of 14040000 Equity Shares Of Rs. 10/- Each

NONE OF THE SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS
INFORMATION MEMORANDUM

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of LYP SA GEMS & JEWELLERY LIMITED unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of LYP SA GEMS & JEWELLERY LIMITED. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF LYP SA GEMS & JEWELLERY LIMITED

LYP SA GEMS & JEWELLERY LIMITED having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to LYP SA GEMS & JEWELLERY LIMITED, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares are proposed to be listed on the Bombay Stock Exchange Limited (BSE)

The Company has submitted this Information Memorandum with BSE and the same has been made available on the Company's website viz. www.malooegems.com. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com)

REGISTRARS AND SHARE TRANSFER AGENTS

Purva Sharegistry (India) Pvt. Ltd.

Unit no. 9

Shiv Shakti Ind. Estt.

J .R. Boricha marg

Opp. Kasturba Hospital Lane

Lower Parel (E)

Mumbai 400 011

Timing : 10 a.m to 6 p.m

Tel : 91-22-2301 6761 / 8261

Fax : 91-22-2301 2517

Email : busicomp@vsnl.com

Contact Person: Mr. Rajesh Shah

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CHAPTER I

DEFINITIONS, ABBREVIATIONS AND INDUSTRY RELATED TERMS

Act / Companies Act	Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
Articles/ Association	Articles of Association of LYPSA GEMS & JEWELLERY Limited
Auditors	The Statutory Auditors of LYPSA GEMS & JEWELLERY Limited
Board of Directors / Board / Directors	The Board of Directors of LYPSA GEMS & JEWELLERY Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Company	LYPSA GEMS & JEWELLERY Limited
Depository Act	The Depositories Act, 1996 as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories & Participants) Regulations, 1996 as amended from time to time.
EPS	Earnings per equity share
Equity Shares	Equity shares of the Company of Rs.10/-each unless otherwise specified in the context thereof
Equity Shareholders	Equity Shareholders of the Company
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations there under and amendments thereto.
Financial year/fiscal/ F.Y.	The twelve months ended March 31 of a particular year, unless otherwise stated
FI	Financial Institution
FII	Foreign Institutional Investor(s) registered with SEBI under applicable laws.

HUF	Hindu Undivided Family
Information Memorandum	This document as filed with the Stock Exchanges is known as and referred to as the Information Memorandum
India	Republic Of India
I.T. Act	The Income-tax Act, 1961, as amended from time to time, except as stated otherwise
Memorandum/Memorandum of Association	The Memorandum of Association of LYPSA GEMS & JEWELLERY Limited
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
NR	Non Resident
NRI(s)	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P/E Ratio	Price -Earning Ratio
PAT	Profit After Tax
RBI	Reserve Bank of India
ROC	Registrar of Companies
Rupees or Rs.	Indian Rupees, the legal Indian Currency of Republic of India
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Regulations or Guidelines	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 including any amendment thereto and circulars, instructions and clarifications issued by SEBI from time to time.

Share Certificate(s)	Equity Share Certificate(s) of LYPSA GEMS & JEWELLERY Limited
Stock Exchange	BSE
Wealth –Tax Act	The Wealth Tax Act, 1957 and amendments thereto

CERTAIN CONVENTIONS, USE OF MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements. Our last financial year commenced on April 1, 2010 and ended on March 31, 2011. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

For definitions, please see the section titled “Definitions, Abbreviations and Industry Related Terms.”

All references to “India” contained in this information Memorandum are to the Republic of India. All references to “Rupees” or “Rs.” are to the Indian Rupees, the legal currency of the Republic of India.

Unless otherwise stated, industry data used throughout this Information Memorandum has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness is not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified. The information included in this Information Memorandum about the various other companies is based on their respective Annual Reports and information made available by the respective companies.

FORWARD - LOOKING STATEMENTS

We have included statements in this Information Memorandum, which may contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward looking statements”. All forward looking statements including the one that describe our objectives, plans or goals are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statements.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;

- Regulatory changes and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in political conditions in India;
- Changes in the foreign exchange control regulations in India.
- Our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” of this Information Memorandum. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not fruition.

CHAPTER I

RISK FACTORS

Introduction

This is only a summary. Investors should read the following summary with the Risk Factors mentioned and the more detailed information about us and our financial statements included elsewhere in this Information Memorandum. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

An investment in equity shares involves a high degree of risk. You should consider carefully all of the following information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

INTERNAL RISK FACTORS

Risks relating to our Business

1. Our business is dependent on the availability/supply and cost of raw materials which we source from domestic as well as international suppliers. Any significant increase in the prices of these raw materials or decrease in the availability of the raw materials, could adversely affect our results of operations.
2. Our business is subject to regulation by several authorities, which could have an adverse effect on our business and our results of operations.
3. We are outsourcing entire production. As a result, we have been unable to market our products in an aggressive fashion.
4. We do not have long-term contracts with suppliers and typically operate on the basis of purchase orders.
5. We are heavily dependent on our Promoters and the loss of their guidance and services may adversely affect our business or results of operations.
6. We are dependent on our senior management team and the loss of team members may adversely affect our business or results of operations.
7. Our business is dependent on our production facilities which is out sourced and the loss of or shutdown of operations of the production facilities could adversely affect our business or results of operations.
8. All our facilities are geographically located in the state of Gujarat and Maharashtra. Any localized social unrest; natural disaster or breakdown of services and utilities in Gujarat and Maharashtra may affect our business adversely.
9. Competition The markets in which we are involved are intensely competitive. We also compete with other companies in India which often establish and pursue similar strategic business plans as ours. Our competitors may have stronger relationships

and associations with our current or potential customers, suppliers, counterparties and business partners. Our competitors may also have greater financial, technical, marketing, distribution, information, human and other resources than we do and may be stronger in certain of the market segments in which we operate.

EXTERNAL RISK FACTORS

Risk Relating to our Industry

1. Fluctuations in the commodities price may hinder our financial performance
2. Fluctuations in the currency prices.
3. Competition from International Players

Risk relating to India

1. Change in Government of India's Economic Liberalization policies may hinder prices of our equity shares
2. Change in Tax laws in India (i.e. central tax, service tax and income tax) may increase tax liabilities of the company inversely affecting PAT
3. Slowdown in the Indian economy may inverse effect in our profit
4. Any Natural calamities, terrorist attack on India may hinder our profit
5. Change in economic regulations and laws may also effect the company adversely

CHAPTER II

GENERAL INFORMATION

LYPSA GEMS & JEWELLERY LIMITED

Incorporated on 30th November, 1995 Maloo Polymers Limited, a public limited company, was listed on Ahmedabad Stock Exchange in the year 1997. In the year 2008-09 the Company was taken over by Mr. Dipan Patwa and Mr. Manish Janani. Subsequently the name of the company was also changed to MALOO GEMS & JEWELLERY Ltd. on 12th January 2010. The name of the company was further changed to Lypsa Gems & Jewellery Limited on 07-03-2012. The company is now in the business of diamond manufacturing, trading, imports and exports.

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OPERA HOUSE,
MUMBAI 400 004.
TelFax : 91-22-2367 0031

E-mail: maloogems@gmail.com Website: www.maloogems.com

Contact Person

Manish Janani

Hemant Rathod

Ph No. 022-2367 0031, Fax No. 022-2367 0031,

E-mail: maloogems@gmail.com Website: www.maloogems.com

Eligibility Criterion

The Company has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for direct listing, as applicable to BSE for making the said Information Memorandum available to public through their websites viz. www.bseindia.com.

The Company has made the said Information Memorandum available on its website viz. www.maloogems.com

Prohibition by SEBI

The Company, its Directors, its promoters, other Companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

General Disclaimer from the Company

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Filing

This Information Memorandum has been filed with BSE.

Listing

Presently, the Company is listed with Ahmedabad Stock Exchange. An application has been made to BSE for permission to deal in and for an official quotation of the Equity Shares of the Company.

Demat Credit

The Company has executed Tripartite Agreements with the Link Intime India Private limited and the Depositories i.e. NSDL and CDSL for admitting its securities in demat form and have allotted ISIN – INE142K01011

Statutory Auditors:

Doshi Maru & Associates
Chartered Accountants,
9, Shreepal Building,
S N Road, Tambe Nagar,
Mulund– (West),
Mumbai – 400 080.
Tel: (O)23472578
(R) 25654859

Registrars and Share Transfer Agents:

Purva Shareregistry (India) Pvt. Ltd.

Unit no. 9

Shiv Shakti Ind. Estt.

J .R. Boricha marg

Opp. Kasturba Hospital Lane

Lower Parel (E)

Mumbai 400 011

Timing : 10 a.m to 6 p.m

Tel : 91-22-2301 6761 / 8261

Fax : 91-22-2301 2517

Email : busicomp@vsnl.com

Contact Person: Mr. Rajesh Shah

Banker to the Company:

Indusind Bank Limited

Lemington Road Branch

Mumbai 400 004

Oriental Bank of Commerce

Opera House Branch

Mumbai 400 004

Compliance Officer:

Mrs. Neelam Maheshwari

Company Secretary

Flat No. # B-301, "Turning Point Building",

Vasant Nagri, Sector 1,

VASAI ROAD (EAST),

Dist THANE - 401 205.

Email : smaheshwarics@yahoo.co.in

Mob. : 099870 01754

Tel. : (0250) 2464596.

Investors can contact the Compliance Officer in case of any share transfer related problem.

CHAPTER III

CAPITAL STRUCTURE

Share Capital

PARTICULARS	RUPEES As at 29.02.2012
AUTHORISED CAPITAL 2,00,00,000 Equity Shares of Rs. 10/- each.	20,00,00,000
ISSUED, SUBSCRIBED CAPITAL & PAID UP CAPITAL 1,40,40,000 Equity Shares of Rs. 10/- each.	14,04,00,000

SHAREHOLDING PATTERN

As per Clause 35

Introductory sub-table (I)(a)

Name of the Company: LYP SA GEMS & JEWELLERY LIMITED			
Scrip Code, Name of the scrip, class of security: 34628, LYP SA GEMS & JEWELLERY LIMITED			
Quarter ended: 31ST DECEMBER 2011			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total - D	0	0	0
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total - E	0	0	0

Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total - F	0	0	0
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities			
	7020000		100

Statement Showing Shareholding Pattern								
Category code	Category of Shareholder	Number of Shareholders	Table (I)(a)		Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	As a percentage of (A+B)¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	2	2520000	2520000	35.90	35.90	0	0.00
(b)	Central Government/ State Government(s)				0.00	0.00	0	0.00
(c)	Bodies Corporate				0.00	0.00	0	0.00
(d)	Financial Institutions/ Banks				0.00	0.00	0	0.00
(e)	Any Others(Specify)				0.00	0.00	0	0.00
(e-i)					0.00	0.00	0	0.00
(e-ii)					0.00	0.00	0	0.00
	Sub Total(A)(1)	2	2520000	2520000	35.90	35.90	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)				0.00	0.00	0	0.00

b	Bodies Corporate				0.00	0.00	0	0.00
c	Institutions				0.00	0.00	0	0.00
d	Any Others(Specify)				0.00	0.00	0	0.00
d-i					0.00	0.00	0	0.00
d-ii					0.00	0.00	0	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2	2520000	2520000	35.90	35.90	0	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI				0.00	0.00		0.00
(b)	Financial Institutions / Banks				0.00	0.00		0.00
(c)	Central Government/ State Government(s)				0.00	0.00		0.00
(d)	Venture Capital Funds				0.00	0.00		0.00
(e)	Insurance Companies				0.00	0.00		0.00
(f)	Foreign Institutional Investors				0.00	0.00		0.00
(g)	Foreign Venture Capital Investors				0.00	0.00		0.00
(h)	Any Other (specify)				0.00	0.00		0.00
(h-i)					0.00	0.00		0.00
(h-ii)					0.00	0.00		0.00
	Sub-Total (B)(1)	0	0	0	0.00	0.00		0.00
B 2	Non-institutions							
(a)	Bodies Corporate	45	1798400	1715000	25.62	25.62		0.00
(b)	Individuals							0.00
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	2005	553800	0	7.89	7.89		0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	52	1897800	1353000	27.03	27.03		0.00
(c)	Any Other (specify)							
(c-i)	Hindu Undivided family	6	250000	250000	3.56	3.56		0.00
(c-ii)					0.00	0.00		0.00
	Sub-Total (B)(2)	2108	4500000	3318000	64.10	64.10		

(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	2108	4500000	3318000	64.10	64.10		
	TOTAL (A)+(B)	2110	7020000	5838000	100.00	100.00		
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Public	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total (C)	0	0	0		0	0	
	GRAND TOTAL (A)+(B)+(C)	2110	7020000	5838000		100.00	0	0.00

(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A) +(B) +(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	MANISH JAYSUKHLAL JANANI	1261250	17.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	DIPAN BABULAL PATWA	1258750	17.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3											
4											
5											
TOTAL		2520000	35.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(*) The term “encumbrance” has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

(I)(c)(i) **Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares**

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	CORPORATE STOCK BROKING PRIVATE	150000	2.14	0.00	0.00	0.00	0.00	0.00
2	ANUJ ROHITBHAI MEHTA	125000	1.78	0.00	0.00	0.00	0.00	0.00
3	CORPORATE COMMODITY BROKERS PVT LTD	100000	1.42	0.00	0.00	0.00	0.00	0.00
4	CORPORATE SHARES REGISTRY PRIVAT	100000	1.42	0.00	0.00	0.00	0.00	0.00
TOTAL		475000	6.77	0.00	0.00	0.00	0.00	0.00

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category “Public” and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	NIL		0.00		0.00		0.00	
2			0.00		0.00		0.00	
3			0.00		0.00		0.00	
4			0.00		0.00		0.00	
5			0.00		0.00		0.00	
TOTAL		0	0.00	0	0.00	0.00	0.00	0.00

(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	MANISH JAYSUKHLAL JANANI	125000	1.78
2		125000	1.78
3	DIPAN BABULAL PATWA		0.00
4			0.00
5			0.00
TOTAL		250000	3.56

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Nil			0.00
2				0.00
3				0.00
4				0.00
5				0.00
TOTAL		0	0	0.00

(II)(b) **Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Nil			0.00
2				0.00
3				0.00
4				0.00
5				0.00
TOTAL			0	0.00

CHAPTER IV

HISTORY, BUSINESS AND MANAGEMENT

HISTORY

Name of Company	LYPSA GEMS & JEWELLERY Limited (Formerly known as Maloo Gems & Jewellery Limited)
Registered Address Telephone Fax No. Email ID	306 MAHAVIR CHAMBERS, TARATIA HANUMAN GALLI, HAT FALIYU, HARIPURA, SURAT 395003, GUJARAT, INDIA. Telfax : 91-261-260 9035.
Corporate Address Address for communication Telephone, Fax no. Email-ID	32 KALA BHAVAN, 3 MATHEW ROAD, OPERA HOUSE, MUMBAI 400 004. TelFax : 91-22-2367 0031 E-mail: maloogems@gmail.com
Company Website Address	www.maloogems.com
Name of Managing director, Residence address, Tel no., Fax no., Email address	MR. MANISH J JANANI 1305-1306 Adarsh Excellency, Off. Marve Road, Malad West, Mumbai 400 0064. Resi. Tel. : +91 2864 1242 Email : maloogems@gmail.com
Name of all Directors	1. Mr. Manish J Janani 2. Mr. Dipan B Patwa 3. Mr. Jeeyan Patwa 4. Mr. Ravindra Sanghvi 5. Mr. Ajit Shah 6. Mr. Bhavesh Sheth 7. Mr. Pankaj Shah
Name of Compliance Officer Telephone No., Fax no., mobile no., Email ID	Mrs. Neelam Maheshwari Company Secretary Flat No. # B-301, "Turning Point Building", Vasant Nagri, Sector 1, VASAI ROAD (EAST), Dist THANE - 401 205. Email : smaheshwarics@yahoo.co.in Mob.: 099870 01754 Tel.: (0250) 2464596.
Brief Nature of Business	The Company is Listed with Ahmedabad Stock Exchange and is presently engaged in the business of manufacturing, trading, imports and exports of rough and polished diamonds. Company is enduring to expand by entering new product lines and also diversify into jewellery industry.

Operational Status Of Business	Operations of the Company are running in full swing.
Name Change of the Company in last five years	Earlier, MALOO POLYMERS LIMITED w.e.f. 12.01.2010 Company was registered as MALOO GEMS & JEWELLERY LIMITED and w.e.f. 07-03-2012 Company was registered as LYPSA GEMS & JEWELLERY LIMITED.
Change in main line of Business in last five years	From year 1995 to 2008 main line of business was of polymers whereas from 2008 subsequent to takeover by current promoters the main line of business changed to Diamond Trading and Manufacturing.
Exchanges where the Company is listed indicating Regional stock Exchange	Ahmedabad Stock Exchange (Regional)
Whether listing fees paid to all the Exchanges.	Yes.
Various Securities listed on BSE/ASE with scrip codes and ISIN nos.	ASE -34628 ISIN : INE142K01011
Name of Auditors and the Changes in last five years with the dates, If yes reason for the same	F.Y.2006-07 MALAV C SHETH & CO. F.Y.2007-08 NAIMISH K SHAH & CO. F.Y.2008-09 NAIMISH K SHAH & CO. F.Y.2009-10 RAJESH THAKKAR & ASSOCIATES. F.Y.2010-11 DOSHI MARU & ASSOCIATES.
Action taken against the company by any other exchange in last five years	No Action has been taken against the Company

MAIN Object of the Company

(A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

(1) To carry on business as jewelers and manufacturers and registers of dealers in, commission agents and exporters and importers of diamonds, gem, jewel, precious stones, gold, silver and other precious stones, metals and minerals, and ornaments and articles made thereof including jewellery, decorative and precious objects of arts and crafts.

(2) To carry on business as miners of diamonds, gems, precious and other stones, gold, silver, platinum, uranium, radium and other precious metals and minerals and to refine or blend the same as alloy, or deal otherwise with same in their natural colloidal, refined or mixed or artificial forms of nature.

BUSINESS

LYPSA GEMS & JEWELLERY Limited: The company is in the business of diamond.

MANAGEMENT

Board of Directors

Sr. No.	Full Name	Address	Designation	Date of Appointment	Other Directorships Held
1	Mr. Manish Jaysukhlal Janani	Flat No. 1305/6, Excellency, Adarsh Dughdalaya Road, Malad (W), Mumbai – 400064.	Managing Director	20/03/2009	Nil
2	Mr. Dipan Babulal Patwa	Flat 210, Sagar Mahal, 65, Walkeshwar Road, Mumbai – 400006	Chairman, Executive Director	20/03/2009	Nil
3	Mr. Jeeyan Dipan Patwa	Flat 210, Sagar Mahal, 65, Walkeshwar Road, Mumbai – 400006.	Executive Director	23/06/2009	Nil
4	Mr. Ravindra Chandulal Sanghvi	3 rd Floor, 6/7 Navjivan Society, Lamington Road, Mumbai 400008.	Independent Non Executive Director	23/06/2009	Nil
5	Mr. Ajit Mangaldas Shah	4 th Floor, Saurabh Building, 44, Sir M. V. Road, Andheri (E), Mumbai – 400069.	Independent Non Executive Director	23/06/2009	Nil
6	Mr. Bhavesh Shashikant Sheth	Ratnapuri Society, Gaushala Lane, Malad (E), Mumbai 400 097.	Independent Non Executive Director	15/02/2011	Nil
7	Mr. Pankajkumar Vrajlal Shah	501, Amar Smruti, Plot No. 1, R. B. Mehta Road, Ghatkopar (E), Mumbai - 400 077.	Independent Non Executive Director	15/02/2011	Nil

Brief Profile of Directors.

Name	Mr. Manish Jaysukhlal Janani
P. A. No.	AACPJ 9992 L
Address	Flat No. 1305/6, Excellency, Adarsh Dughdalaya Road, Malad (W), Mumbai – 400064.
Brief description of the Business, Work Profile & Experience	<p>Manish started his career as an assorter and marker with Everest Gems, Mumbai in 1984. Everest Gems is an associate company of the world-renowned Rosy Blue Group. He worked his way up the organization to become a sourcing associate in a short span of 6 years. In 1992, he set up Lypsa Diamonds along with his colleague Mr. Dipan Patwa. Lypsa Diamonds is a manufacturer, importer and exporter of rough and polished diamonds. At Lypsa Diamonds, Manish heads the sourcing, operations and finance side of the business.</p> <p>In 2009, along with Mr Dipan Patwa, he acquired a majority interest in Lypsa Gems and Jewellery Ltd (formerly, known as Maloo Gems & Jewellery Ltd). He serves as Managing Director at Lypsa Gems and Jewellery Ltd where he plays a similar role as in Lypsa.</p>

Name	Mr. Dipan Babulal Patwa
P. A. No.	ADSPP 9952 D
Address	Flat 210, Sagar Mahal, 65, Walkeshwar Road, Mumbai - 400006
Brief description of the Business, Work Profile & Experience	<p>In 1986, Dipan Patwa started off as an assorter at Everest Gems, Mumbai. By 1991, he rose up the ranks to become Head of Marketing, Rough Diamonds. In 1992, he started Lypsa Diamonds along with his colleague, Mr. Manish Janani. Lypsa Diamonds is engaged in the import, exporter and manufacture of diamonds. Dipan is responsible for the sales and marketing in the business.</p> <p>In 2009, he acquired a majority interest in Lypsa Gems and Jewellery Ltd. (formerly, known as Maloo Gems & Jewellery Ltd.) along with Mr Manish Janani. Dipan serves as the Chairman of Lypsa Gems and Jewellery Ltd.</p>

Name	Mr. Jeeyan Dipan Patwa
P. A. No.	ASGPP 0154 L
Address	Flat 210, Sagar Mahal, 65, Walkeshwar Road, Mumbai – 400006.
Brief Note	Jeeyan has gained exposure to the industry through a host of internships undertaken in various diamond companies. He is undertaking his training in diamond assortment at the Mumbai office of the Rosy Blue Group. He intends to follow that up with formal industry education at the Gemological Institute of America. He is expected to join Lypsa Gems and Jewellery Ltd. in a more active role in the immediate future. His international education will be indispensable to the growth of the company into a global integrated diamond house.

Name	Mr. Ajit Mangaldas Shah
P. A. No.	AAEPS 4604 A
Address	4 th Floor, Saurabh Building, 44, Sir M. V. Road, Andheri (E), Mumbai – 400069.
Brief Note	Ajit Shah is a leading broker for rough diamonds. He is an industry veteran with more than 20 years of industry experience. His network covers rough diamond suppliers based out of numerous countries, traders as well as diamond manufacturers.

Name	Mr. Ravindra Chandulal Sanghvi
P. A. No.	AAJPS 0802 K
Address	3 rd Floor, 6/7 Navjivan Society, Lamington Road, Mumbai 400008.
Brief Note	Ravindra is the Proprietor of JanuGem. He is an expert at the science of cutting and polishing diamonds and possesses experience of over 20 years. He runs multiple manufacturing units in Palanpur, Gujarat. Apart from cutting and polishing stones on his own account, JanuGem also takes up manufacturing contracts for various diamond companies looking to outsource production.

Name	MR. Bhavesh Shashikant Sheth
P. A. No.	AAEPS 0967 J
Address	Ratnapuri Society, Gaushala Lane, Malad (E), Mumbai 400 097.
Brief Note	Bhavesh started his career as an assorter with Chamunda Diamonds, Mumbai in 1995. Gaining experience in a variety of roles, he set up his own brokerage practice in the diamond industry. Bhavesh specializes in providing services for buying and selling of polished stones less than 1 ct. Over the years, he has earned a good reputation for himself and his clients include the Rosy Blue Group, Asian Star Ltd, Shrenuj and Company amongst others.

Name	Mr.. Pankajkumar Vrajlal Shah
P. A. No.	BDXPS 2843 A
Address	501, Amar Smruti, Plot No. 1, R. B. Mehta Road, Ghatkopar (E), Mumbai - 400 077.
Brief Note	Pankaj started his career as an assorter at Beautiful Diamonds, Mumbai in 1987. After gaining four years of industry experience, he ventured out on his own as a broker for rough diamonds. Over the years, he has established a far reaching network within the industry. He is amongst the well respected brokers in the industry.

Shareholding of the Directors for LYPSA GEMS & JEWELLERY LIMITED

Name of Director	No. of Shares Held	Percentage of Total Shares
Manish J Janani	1261250	17.96
Dipan B Patwa	1258750	17.93

Compensation of Managing Directors / Whole time Directors

LYPSA GEMS & JEWELLERY LIMITED has fixed Rs. 200000 as monthly remuneration to the managing director and chairman.

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to LYPSA GEMS & JEWELLERY LIMITED immediately upon the listing of its Equity Shares on the Stock Exchanges.

LYPSA GEMS & JEWELLERY LIMITED has already appointed independent directors to its Board and has also constituted the Audit Committee and the Investors Grievances Committee as required by Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Details are as follows:

Board of Directors	Category (Chairman / Managing Director / Executive / Non-Executive / Independent)	Member of Audit Committee	Member of Remuneration Committee	Member of Investor Grievance Committee
Mr. Manish Jaysukhlal Janani	Managing Director	NO	YES	YES
Mr. Dipan Babulal Patwa	Chairman	YES	NO	NO
Mr. Jeeyan Dipan Patwa	Executive Director	NO	NO	NO
Mr. Ravindra Chandulal Sanghvi	Independent Non Executive Director	YES	YES	YES
Mr. Ajit Mangaldas Shah	Independent Non Executive Director	YES	YES	YES
MR. Bhavesh Shashikant Sheth	Independent Non Executive Director	NO	NO	NO
Mr.. Pankajkumar Vrajlal Shah	Independent Non Executive Director	NO	NO	NO

LYPSA GEMS & JEWELLERY LIMITED undertakes to adopt the Corporate Governance Code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges prior to listing.

Interest of the Directors

Other than their respective shareholding as stated above, the directors of the LYPSA GEMS & JEWELLERY LIMITED have no other interest in the LYPSA GEMS & JEWELLERY LIMITED.

Term of Office

All directors are liable to retire by rotation.

Change in Board of Directors of LYPSA GEMS & JEWELLERY LIMITED for last 3 years

Year	Directors	Appointment	Resignation
2008-09	MANISH J JANANI	20/03/2009	-
	DIPAN B PATWA	20/03/2009	-
	RAMANLAL TRIVEDI	-	27/03/2009
	MANISH MUCHHALA	-	27/03/2009
2009-10	JEEYAN D PATWA	23/06/2009	-
	RAVINDRA SANGHVI	23/06/2009	-
	AJIT SHAH	23/06/2009	-
	AJAY S MALOO	-	04/08/2009
	CHANDRESH LOTIA	-	30/09/2009
2010-11	BHAVESH SHETH	15/02/2011	-
	PANKAJ SHAH	15/02/2011	-

Management Organization Structure of LYPSA GEMS & JEWELLERY LIMITED.

Key managerial personnel are as follows:

Sr. No.	Name	Qualification	Experience	Designation
1	HEMANT C RATHOD	B Com	15 years in Finance	CHIEF - ACCOUNTS
2	KIRAN TOPRANI	B.Sc.	20 years in Diamond Assortment	CHIEF - ASSORTMENTS
4	SANDEEP PRAJAPATI	B.Com	10 Yrs experience in Accounts & Finance	MANAGER - ACCOUNTS
5	DHAVAL KIRI	B.COM	10 years in Accounts & Exports	MANAGER - EXPORTS

Shareholding of the key managerial personnel

The key management personnel, as stated in the table above, do not hold any shares of LYPSA GEMS & JEWELLERY LTD.

Bonus or Profit Sharing Plan for key managerial personnel:

There is no bonus or profit sharing plan.

Employees:

At present, LYPSA GEMS & JEWELLERY LIMITED has 11 employees.

CHAPTER V

PROMOTERS AND SUBSIDIARIES

PROMOTERS

Shareholding Pattern of the promoters of Company

Sr. No.	Name of the shareholder	Number of shares
1	Manish J Janani	1261250
2	DIPAN B PATWA	1258750
TOTAL		2520000

Details of the Promoters:

The details of the Promoters are given below:

Name	Mr. Manish Jaysukhlal Janani
P. A. No.	AACPJ 9992 L
Address	Flat No. 1305/6, Excellency, Adarsh Dughdalaya Road, Malad (W), Mumbai – 400064.
Brief description of the Business, Work Profile & Experience	<p>Manish started his career as an assorter and marker with Everest Gems, Mumbai in 1984. Everest Gems is an associate company of the world-renowned Rosy Blue Group. He worked his way up the organization to become a sourcing associate in a short span of 6 years. In 1992, he set up Lypsa Diamonds along with his colleague Mr. Dipan Patwa. Lypsa Diamonds is a manufacturer, importer and exporter of rough and polished diamonds. At Lypsa Diamonds, Manish heads the sourcing, operations and finance side of the business.</p> <p>In 2009, along with Mr Dipan Patwa, he acquired a majority interest in Lypsa Gems and Jewellery Ltd (formerly, known as Maloo Gems & Jewellery Ltd). He serves as Managing Director at Lypsa Gems and Jewellery Ltd where he plays a similar role as in Lypsa.</p>

Name	Mr. Dipan Babulal Patwa
P. A. No.	ADSPP 9952 D
Address	Flat 210, Sagar Mahal, 65, Walkeshwar Road, Mumbai - 400006
Brief description of the Business, Work Profile & Experience	<p>In 1986, Dipan Patwa started off as an assorter at Everest Gems, Mumbai. By 1991, he rose up the ranks to become Head of Marketing, Rough Diamonds. In 1992, he started Lypsa Diamonds along with his colleague, Mr. Manish Janani. Lypsa Diamonds is engaged in the import, exporter and manufacture of diamonds. Dipan is responsible for the sales and marketing in the business.</p> <p>In 2009, he acquired a majority interest in Lypsa Gems and Jewellery Ltd. (formerly, known as Maloo Gems & Jewellery Ltd.) along with Mr Manish Janani. Dipan serves as the Chairman of Lypsa Gems and Jewellery Ltd.</p>

CHAPTER VI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Business Overview:

We at Lypsa Gems & Jewellery Limited dedicate excellence in our prime mission of manufacturing and trading of Quality Diamonds and now taking initiatives in the business with updated technology, keeping in mind the need of the industry and global competency.

We are committed towards maximum customer satisfaction and to cater their needs and to match their expectations for quality, reliability, safety, and technology and after-sale service. We move as a well-organized team with active involvement of persons at all levels for continual process improvements underlining the aspirations of the customers.

Our motto is to render quickest service to the customer at their call hence our concern for the customer and our customer to keep his wheel moving without any interruptions.

Industry SWOT Analysis :

Strengths

- Only vertical end to end business model in entire Diamond industry and fastest time to market for any new gem-find or new product.
- Low cost of operation at both retail as well as manufacturing side.
- Highly scalable business model without large Capex expenses.
- Good combination of technical as well as advisory personnel in the management.
- Good Industry experience & knowledge of Promoters.
- Independent and experienced Board of Directors.
- A large number of Gems and Jewellery institutions in India that provide regular supply of trained manpower.
- Diamond has three primary roles in industry: (A) it is used as a cutting tool (B) it is imbedded in another material and used as a tool or abrasive (C) it is turned to powder or paste for grinding and polishing.
- Diamond is used for machining a wide variety of plastics, glasses, and metals, shaping products such as the drums for copying machines, polygon mirrors in laser printers, and aluminum-alloy pistons in automobile engines.
- The Diamond industry in Surat is the largest user of laser machines in India. Also extensively use modern equipments like polishing machines, which are semi automatic and automatic and diamond planners, which are computerized.

- Diamonds from Surat are exported to a lot of countries all over the world. Exports are routed through exporters based in Mumbai.

Weaknesses

- Low indigenous reserves of rough and diamonds.
- Organizational development processes are at relatively initial phase.
- Relatively large reliance on promoters for overall management.
- There are no institutes for training new workers.
- Diamond cannot be used for machining alloys of iron. Under intense machining conditions the diamond abrades very quickly against some materials, apparently because of a high-temperature reaction between iron and carbon.
- As the major raw material requirements need to be imported, companies normally stock huge quantities of inventory resulting high inventory carrying costs.
- Technology is less improved compared to China and other parts of diamond manufacturing countries.

Opportunities

- 1/3 of the population of Surat is a part of the flourishing diamond industry. Population of Surat thrives on diamond and textile related job opportunities. Lot of people from all over India have found employment in the diamond industries.
- There are a total of 10000 diamond processing units in the city of Surat employing around 15 lacs people.
- New initiatives by the government of Gujarat aim at training diamond cutters in jewellery making thereby providing them with a wider scope in this industry.
- It is believed that almost 90 per cent of the small diamonds obtained in different mines in Africa and cut and polished in Surat.

Threats

- Volatility in prices of rough gemstones.
- China posing threat to the Indian diamond industry.
- The diamond manufacturers and the artisans have thus advanced further in their field sustaining their profits even as they glitter in various stores in India.
- Diamond exporters are feeling the heat of the US meltdown. With the demand gone down not only in the international market, but in the domestic market as well, more orders are being cancelled every day.
- The diamond industry in Canada's Far North is vulnerable to smugglers looking to import "blood diamonds" or launder the proceeds of organized crime syndicates and terrorist organizations.

OVERALL REVIEW OF COMPANY:

Product Portfolio:

Customer's satisfaction by delivering quality product has been the corner stone of our Company. The Company, therefore, believes in manufacturing of quality diamonds through manufacturing tie-ups. The production facilities of the Company are equipped with high precision machine tools and managed by a team of well qualified and experienced sorters and markers.

Research & Development has always been the focus and strength of the company. This effort has helped the industry by many innovative products and technologies.

The group has dedicated Design and R & D team which is engaged in developing quality diamonds to meet the need of markets and provide value added services to our customers.

OPPORTUNITIES AND THREATS:

An Initiative that Transformed the Industry:

Lypsa Gems & Jewellery Limited, is the leading company in diamond industry, developing enduring relationship with customers by providing quality product and service since 3 years.

Our Clientele:

With consistent quality product and services, we have achieved total customer satisfaction resulting in worldwide customer base. We have been able to achieve long standing association with our clients by offering them maximum benefits through our superior quality of services and products.

We have a wide network of brokers and commission agents, who are always there to assist our clients in meeting all of their requirements with utmost precision and within time. Our teams of technically sound sales persons ensure prompt delivery of goods and provide friendly assistance with round the clock services to our valued customers.

Quality Assurance:

Committed to deliver an up to date technology through continuous innovation and research

Equipped with required infrastructure and utility

Advance lab fully equipped for monitoring of test results and monitoring of produced machines in plant

Skilled expert of diamond industry with mechanical technocrats with advance software technology made, research easier and quicker

3-D modeling of design and components are prepared for design validation prior to match required standard of accuracy and strength

Customer has liberty to suggest their view / experience to make product more reliable and efficient.

CURRENT SCENARIO:

The Competitive Edge:

Lypsa Gems & Jewellery Limited stands tall in its arena owing to a number of factors. Few of these are:

- ❖ Strong Human Resource consisting of best talent from field of assortment, markers, cutters, Laser cutters, computer software-hardware, electronics and mechanical and management.
- ❖ Value for money products.
- ❖ Commitment for quality in products and operations
- ❖ A large base of satisfied customers across the globe
- ❖ Dedicated efforts towards technical excellence through continuous innovation
- ❖ Customer centric product development approach
- ❖ Well articulated market sensing mechanism
- ❖ Highly dynamic & well equipped Marketing & Service team
- ❖ Driven by the purpose of client business excellence

Internal Control Systems and their adequacy:

The Company is committed to maintaining an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with all laws and regulations. The Company has an internal control department to monitor, review and update internal controls on an ongoing basis. The Company has put in place a well defined organization structure, authority levels and internal guidelines for conducting business transactions. The Company appointed independent internal auditors, who would monitor and review all transactions independently to get higher level of efficiency and would report directly to the Audit Committee, which consists of entirely independent directors, on quarterly basis. The Internal Auditors conducts audit all key business areas as per the pre-drawn audit plan. All significant audit observations and follow up actions are reported to the Audit Committee along Internal Audit reports and management's responses/replies. The minutes of Audit Committee

would be reviewed by the Board for its suggestions/recommendations to further improve the internal control systems. The Audit Committee periodically reviews audit plans, observations and recommendations of the internal auditors as well as external auditors with reference to significant risk areas and adequacy of internal controls.

Human Resources / Industrial Relations:

The Company believes that its people are a key differentiator, especially in knowledge driven, competitive and global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. Fundamental HR processes which enable higher performance orientation, speed, skill and competency development, talent management and human asset refreshable are corner stones for the success of any organization.

Caution Statement:

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Besides, the Company cannot guarantee that these assumptions and expectations are accurate or will be realized and actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

For Lypsa Gems & Jewellery Limited
(Formerly Known As Maloo Gems & Jewellery Limited)

Date: 20/06/2010

Place: Surat

Sd/-	Sd/-
(Manish Janani)	(Dipan Patwa)
Managing Director	Managing Director

CHAPTER -VII

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

There are no **litigations** pending against the Company.

CHAPTER - VIII

GOVERNMENT APPROVALS

Sr. No	Licence/Memberships Name	Issuing Office Address	Status	No.
1	IMPORT EXPORT CODE	Office of Jt. Director General of Foreign Trade, 11 th floor, A-Blk., M. S. Bldg., Lal Darwaja, Ahmedabad – 380001.	Active	0899009026
2	Sales Tax (VAT TIN)	Sales Tax Officer, C-106, Vikrikar Bhavan, Mazgaon, Mumbai 400010.	Active	27170710622 V
3	Export Promotion Council	The Gem & Jewellery Export Promotion Council, 626-628, Belgium Tower, Opp. Linear Bus Stop, Ring Road, Surat 395003.	Active	G25414
4	Permanent Account Number	Income Tax Department	Active	AABCM 0649 K

CHAPTER - IX

OTHER REGULATORY DISCLOSURES

Stock Market Data for Equity Shares of LYPSA GEMS & JEWELLERY Limited

Equity Shares of LYPSA GEMS & JEWELLERY Limited are listed on Ahmedabad Stock Exchange. LYPSA GEMS & JEWELLERY Limited is seeking approval for listing of its shares through this Information Memorandum.

Particulars Regarding Previous Public or Rights Issues during the Last Five Years

LYPSA GEMS & JEWELLERY Limited has not made any previous public or rights issue during the last five years. However the company has issued 20,00,000 equity shares of Rs. 10/- each at a premium of Rs. 65/- per share in the financial year 2010-11 on preferential basis and has also issued bonus share in the ratio of 1:1 in the financial year 2011-12. There has been no revaluation of assets of LYPSA GEMS & JEWELLERY Limited.

Companies under the Same Management

There are no companies under the same management within the meaning of Section 370(1B) of the Companies Act.

Disclosure on negative net worth/winding up/sick/BIFR/disassociation/strike off from ROC

There is no group company of LYPSA GEMS & JEWELLERY Limited having a negative net worth or under winding up or a sick company or under BIFR or who has applied for striking off their name from ROC. Further, LYPSA GEMS & JEWELLERY Limited has not disassociated from any company.

CHAPTER - X

DIVIDEND POLICY

Details of the Dividend declared by LYPSA GEMS & JEWELLERY Limited on per equity share for last 5 years is as following:-

Sr.No.	Year	Dividend per Equity share	Percentage (%)
1	2006-07	-	
2	2007-08	-	
3	2008-09	-	
4	2009-10	0.50	5%
5	2010-11	1.00	10%

CHAPTER – XI

FINANCIAL INFORMATIONLYPSA GEMS & JEWELLERY LIMITED

Audited Financial Results for Financial Year ended March 31, 2011.

(Amount in Lacs)

No. 1	Item 2		F.Y.2010-11 3
1	a) Net Sales/Income from Operations		33626.69
	b) Other Operating Income		2138.89
	c) Total 1a +1b		35765.58
2	Total Expenditure	b) (Increase)/Decrease in Stocks in trade and work in progress	921.11
		b) Consumption of Materials	11809.89
		c) Purchase of traded goods	20613.94
		d) Power & Fuel	
		e) External Processing	
		f) Employee Cost	19.28
		g) Depreciation	2.70
		h) Other Expenses	926.70
		i) Total Expenditure(2a to 2h)	34293.72
3	Profit from Operations before Other Income, Interest And Exceptional Items (1c-2i)		1471.86
4	Other Income		
5	Profit before Interest and Exceptional Items (3+4)		1471.86
6	Interest, Net		1180.22
7	Profit after Interest but before Exceptional Items (5-6)		291.64
8	Exceptional Items		
9	Profit from Ordinary Activities before Tax (7-8)		291.64
10	Tax Expense	a) Current Tax	96.92
		b) Deferred Tax	
		c) Fringe Benefit Tax	
		d) Total Tax Expense (10a to 10c)	96.92
11	Net Profit from Ordinary Activities After Tax (9-10d)		194.72
12	Add: Prior Period Adjustments (net)		
13	Net Profit after Prior Period Adjustments (net)(11+12)		194.72
14	Paid-up Equity Share Capital (Face value Rs. 10 each)		702.00
15	Reserves excluding revaluation reserves		1568.28
16	Earnings Per Share, (Basic & Diluted)		2.77
17	Public Shareholding:		
	a) Number of Equity Shares		4500000
	b) Percentage of Shareholding		64.10
18	Promoters and promoter group share-holding	a) Pledged/Encumbered	
		- Number of shares	Nil
		- % of shares (as % of total shareholding of promoter and promoter group)	--
		- % of shares (as a % of the total share capital of the company)	--

	promoter group share- holding	b)	Non-encumbered	
		-	Number of shares	2520000
		-	% of shares (as % of total shareholding of promoter and promoter group)	100
		-	% of shares (as a % of the total share capital of the company)	35.90

CHAPTER -XII

MAIN PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF LYPSA GEMS & JEWELLERY LIMITED

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF LYPSA GEMS & JEWELLERY LIMITED

- I. The name of the Company is “LYPSA GEMS & JEWELLERY LIMITED”
- II. The Registered Office of the Company shall be situated in the State of Gujarat i.e. within the jurisdiction of Registrar of Companies, Gujarat.
- III. The main objects for which the Company is established are:

- (A)(1) To carry on business as jewelers and manufacturers and registers of dealers in, commission agent and exporters and importers of diamonds, gem, jewel, precious stones, gold, silver and other precious stones, metals and minerals and ornaments and articles made thereof including jewellery, decorative and precious objects of arts and crafts.
- (2) To carry on business as miners of diamonds, gems, precious and other stones, gold, silver, platinum, uranium, radium and other precious metals and minerals and to refine or blend the same as alloy, or deal otherwise with same in their natural colloidal, refined or mixed or artificial forms of nature.

[B] THE OBJECTIVE INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS ARE

- 1. To acquire, build, construct, improve, develop, give or take in exchange or on lease, rent, hire, occupy, allow, control, maintain, operate, run, sell, dispose of, carry out or alter as may be necessary or convenient any lease-hold or freehold lands, movable or immovable properties, including building, workshops, warehoused, stores, easement or other rights, machineries, plant, work, stock in trade, industrial colonies, conveniences together with all modern amenities and facilities such as housing, schools, hospitals, water supply, sanitation, township and other facilities or properties which may seem calculated directly or indirectly to advance the company's objects and interest either in consideration of gross sum of a rent charged in cash or services.
- 2. To apply for, purchase, acquire, and protect, prolong and renew in any part of the world any patents, patent rights, brevets d'invention, licences, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights which the company may acquire or proposes to acquire.

3. To establish, provide, maintain and conduct or subsidize research laboratories and experimental workshops for scientific and technical researches, experiments and tests of all kinds and devices and/or sponsor or draw out programmes for promoting scientific, technical, social, economic and educational research and development and assist in the execution and promotion of such programmes either directly or through an independent agency or in any other manner, directly or indirectly and to secure such approvals, exemptions and/or recognitions under the Income Tax Act, 1961 and any other law for the time being in force and to promote studies and researches both scientific and technical investigations, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the award of scholarships, prizes, grants to students and generally to encourage, promote inventions of any kind that may be considered useful to the company.
4. To form incorporate, promote, purchase, acquire, undertake or takeover the whole or any part of the business, profession, goodwill, assets, properties, (movable or immovable), contracts, agreements, rights, privileges, effects, obligations and liabilities of any persons, firms or company or companies carrying on all or any of proposing to carry on or ceasing to carry on any business, profession or activities which the company is authorised to carry on or the acquisition of all or any of the properties, rights and assets of any company or subject to the provisions of the Company Act 1956, the control and management of the Company or the undertaking of the acquisitions of any other object or objects which in the opinion of the Company could or might directly or indirectly be beneficial or advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation or takeover or acquisition and to remunerate any person, firm or company in any manner, it shall think fit for services rendered or to be rendered for and in respect of such promotion or incorporation or takeover or acquisition or in obtaining subscription of or the placing of any shares, stocks, bonds, debentures, obligations or securities of any such company or companies, subject to the provisions of the Companies Act, 1956.
5. Subject to the provisions of applicable law to procure registration, incorporation or recognition of the Company in any country state or place and to establish and regulate agencies for the purpose of the Company's business and to apply or join in applying to any parliament, local government, municipal or other authority or body, Indian or foreign for any rights or privileges that may seem conducive to the Company's objects or any of them and to oppose any bills, proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
6. To enter into partnership or any arrangement for sharing or pooling profits, amalgamations, union of interest, co-operation, joint venture, reciprocal concessions or to amalgamate with any person or company carrying on or engaged in or about to carry on or engaged in any business, undertaking or transactions which this company is authorized to carry on or engaged in any business, undertaking or transactions which may seem capable of being carried on or conducted, so as directly or indirectly, to benefit the Company.
7. To acquire or amalgamate, absorb or merge with any other company or companies or to form, promote subsidiaries having objects altogether or in similar to those of this company.

8. To manage, sell, dispose off, let, mortgage, exchange, redeem, underlet, grant leases, licences, easements or turn to account or otherwise dispose off in any manner the whole of the undertaking or any properties (movable or immovable), assets, rights and effects of the Company or any part thereof, on such terms and for such purposes and for such consideration as the company may think fit and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this company and in the event of winding up of the Company to distribute among the members in specie or kind any properties or assets of the Company or any proceeds of sale or disposal of any properties of the Company, subject to the provisions of the Company Act, 1956.
9. To enter into arrangements with any government or authorities municipal, local or any persons or company in India or abroad that may seem conducive to the objects of the Company or any of them and to apply for, secure, acquire, obtain from such government, authorities, persons or company any right, privileges, powers, authority, charters, contracts, licences, concessions, grants, decrees, rights which the Company may think desirable.
10. To pay all costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital and charges in connection therewith and/or make donations (by cash or other assets) to remunerate by allotments of fully or partly paid shares or by a call or option on shares, debentures, debenture-stocks or securities of this or any other company or in any other manner, whether out of the Company's capital or profits to any person, firm, company assisting to place or guaranteeing the subscription of shares, debentures, debenture- stock or other security the Company in or about the formation or promotion of the Company or for any other reason which the Company may think fit subject to the provisions of the companies Act, 1956.
11. To promote or join in the promotion of any company or companies including subsidiary companies (wholly owned or partly owned) for the purpose of acquiring all or any of the properties, rights and liabilities of the company or for any other purposes which may seem directly or indirectly calculated to benefit the Company and to underwrite share and securities therein.
12. To do all or any of the above things in India or in any part of the world as principals, agents, contractors or trustees and either alone or in conjunction with others.
13. Subject to Section 58A of the company's Act, 1956 and the rules framed there under and the directives issued by the Reserve Bank of India, to borrow or raise money or to take money on loan on interest from banks, financial institutions, government agencies, co-operative societies, persons, companies, firms in such manner as the Company may think fit and in particular by the issue of debentures or debenture-stock perpetual annuities and in security of any such money borrowed, raised or received to mortgage, pledge, hypothecate, or charge the whole or any part of the properties (movable or immovable) assets or revenue of the Company present or future including its uncalled capital by special assignments or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may be deemed expedient and to purchase, redeem or pay off any such securities. The Company should not carry in any banking or insurance business which may fall

within the purview of Banking Regulations Act, 1949 or the Insurance Act, 1938, respectively.

14. To make, draw, accept, endorse, discount, execute, negotiate, assign and issue cheques, promissory notes, drafts, hundies, bonds, railway receipt, bills of exchange, and bills of landing, warrants, debentures, and other negotiable or transferable instrument.
15. To guarantee the payment of money secured or unsecured by or payable under or in respect of any promissory notes, bonds, debenture stocks, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, central, state, municipal, local or any person whomsoever incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contract or obligations of any person, firm or company and to guarantee the repayment of loan with interest availed from Financial institution/s, Banks, Private Financiers, availed by any person, company, firm, society, trust or body corporate.
16. To guarantee or become liable for the performance of the obligations and the payment of interest on any debentures or securities of any company, corporation or association or a persons in which such guarantees may be considered beneficial or advantageous, directly or indirectly to further the objects of the Company or the interest of the members.
17. Subject to the provisions of the Companies Act, 1956 to accumulate funds and to invest or deal in with and invest money belonging to the Company in any deposit, shares, Stocks, debentures, debenture-stocks, bonds obligations, or securities by original subscription, participation in syndicates having similar objects and to tender, purchase, exchange and to subscribe for the same and to guarantee the subscription thereof and to exercise and enforce all the rights and powers conferred by or incidental to the ownership thereof.
18. To open and operate current, overdrafts, loan, cash credit or deposit or any other type of accounts with any banks, company, firm, association or person.
19. To establish, continue and support or aid in the establishment of cooperative societies, association and other institutions, funds, trusts, amenities and conveniences calculated to benefit or indemnify or insure employees or ex-employees of the Company of Directors or ex-Directors of the Company or the dependants or connections of such persons and at its discretion to construct, maintain, buildings, houses, dwelling or to grant bonus, pensions and allowance and to make payments towards insurance and to pay for charitable or benevolent objects, also to remunerate by the allotment of shares credited as fully or partly paid for services rendered or to be rendered in placing or assisting to place any shares in the Company's capital or any debentures, debenture-stock or other securities of company in or about the formation or promotion of the Company or for the conduct of its business.
20. To undertake, carry out, promote and sponsor rural or semi urban or urban development including any programme for promoting the social and economic welfare or uplift of the public in any such area and to incur any expenditure on any programme of rural, semi-urban and urban development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner.

21. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for the discharging of social and moral responsibilities of the Company to the public or any section of the public as also any activities to promote national welfare or social, economic and without prejudice to the generality of the foregoing , undertake carry out, promote and sponsor any activities for publication of any books, literature, news-papers or for organizing lectures or seminars likely to advance these objects or for giving merit awards or scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, funds or trusts having any one of the aforesaid objects as one of its objects by giving donations and/or contributions, subsidies and/or grants or in any other manner.
22. To donate, gift, contribute, subscribe, promote, support or aid or assist or guarantee money to charitable, benevolent, religious, scientific, national public or to other institutions, funds or objects, or for any public, general or other objects and to accept, gifts, bequests devices and donations from any firm, company or persons as may be thought appropriate or conducive to the interest of the Company.
23. To create any depreciation fund, reserve funds, sinking funds, insurance funds or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures, redeemable preference shares or gratuity or pension or for any other purpose conducive to the interest of the Company.
24. Subject to Section 78 of the Companies Act, 1956, to place, reserve, distribute, as divided or bonus or to apply as the Company may from time to time determine any moneys received in payment of dividend or money arising from the sale of forfeited shares or any money received by way of premium on shares or debentures issued at a premium by the Company.
25. To engage, employ, train, either in India or elsewhere suspended and dismiss any agents, managers, superintendents, assistants, clerks, coolies another employees and to remunerate any such persons at such rate as shall be thought fit and to grant pensions or gratuities to any such person or to his widow or children and generally to provide for the welfare of employees.
26. To refer or agree to refer any claims, demands, disputes or any other questions by or against company or in which the company is interested or concerned and whether between the Company and the member or members or his or their representatives or between the Company and third party to arbitration in India or at any place outside India and to observe, perform and to do all acts, deeds, matters and things to carry out or enforce the awards.
27. To use trademarks, trade names or brand names for the business activities products and goods and adopt such means of making known the business and products in which the company is dealing as may seem expedient and in particular by advertising on radio, television, newspapers, magazines, periodicals, by circulars, by opening stalls and exhibition, by publication of books and periodicals, by distributing samples and by granting prizes, rewards and awards.

28. To undertake the payment of all rent and the performance of all covenants, contracts, conditions and agreements contained in and reserved by any lease that may be granted or assigned to or acquired by the Company.
29. To become members of or to enter into any agreement with any institution, association or company carrying on or which may carry on research and other scientific work of investigation in connection with any business of Company or other trades or industries allied therewith or ancillary thereto and to acquire shares in any such institutions, association or company and contribute towards the capital or funds, thereof.
30. To undertake and execute any trust which may be beneficial to the Company directly or indirectly.
31. To ensure properties, assets, undertakings, contracts, guarantees, liabilities, risks or obligations of the Company of every nature and kind.
32. to receive donations, gifts, contributions, subsidies, grants, and other mode of receipts of money for the furtherance of the objects of the Company.
33. To invest the funds of the Company not immediately required in Government or Semi-Government corporations, companies or firms.
34. To pay a share in the profit of the company or commission to brokers sub-agents, agents or any other company, firm or person including the employees of the Company as may be thought fit for services rendered to the Company.
35. To employ experts, to investigate and examine into the conditions prospects, value character and circumstances of any business concerns and undertaking and generally of any assets, concessions, properties and/or rights.
36. To open establish, maintain and to discontinue in India or overseas any offices, branch offices, regional offices, trade centres, exhibition centres, liaison offices and to keep Local or resident representative in any part of the world for the purpose of promoting the business of the company.
37. To enter into arrangement for technical collaboration and/or other form of agreement including capital participation with a foreign or Indian company for the purpose of manufacture, quality control and product improvements and for marketing of the products which the Company is empowered to manufacture and/or market and to pay or to receive for such technical assistance or collaborations, royalties or other fees in cash or by allotment of shares of the Company credited as paid up or issue of debentures or debentures-stock, subject to the provisions of laws for the time being in force.
38. To secure contracts for supply of the products manufactured by the company to military, civil and other departments of the government or semi-government bodies, corporations, public or private contracts, firms or persons and to recruit trained persons including persons retired from defence, police military and paramilitary forces to employ detectives.
39. To take part in the management, supervision and control of the contracts, rights, turnkey jobs, operations or business of any company or undertaking entitled to carry on the business which the company is authorized to carry on.

(C) OTHER OBJECTS :

1. To carry on the business as manufacturers, producers, processors, buyers, sellers, important exporters and dealers in every kind and description of foodstuff whether vegetarian or non-vegetarian, milk and milk products including cream, butter, ghee, cheese, condensed milk, malted milk powders, skimmed milk, ice-cream, milk foods, and fish preparation, meat and meat preparation and the foods made from any substances of animal and birds and the business of poultry farming.

2. To carry on business of farming, agriculture and horticulture in its branches and to grow, produce, manufacture , process, prepare, refine, extract, manipulate, hydrolyze, buy, sell, market or deal in all kinds of agricultural, horticultural, dairy, poultry and farm products and including foodgrains, cereals, seeds, soyabeans , corn, corn oils, cash crops, plants, flowers, vegetables, edible oils, meat fish, eggs, animal and human food and food products.
3. To cultivate any plantation or other agricultural produces in all its branches and carry on the business as cultivators, buyers and dealers in vegetables, grains, vanaspaties and all other agricultural produces and to prepare, manufacture and render marketable any such produces and to sell, market, dispose off or deal in any such produces either in its prepared, manufactured or raw state and to purchase, hold ,develop, cultivate any agricultural, barren land for the purpose herein mentioned.
4. To carry on the business as travel agents, selling agents, buying agents, marketing agents, commission agents, advertising agents, clearing and forwarding agents, estate agents, insurance agents, brokers or representatives of any company corporation, firm or individual and to transact and carry on all kinds of agency business.
5. To carry on the business as printers, lithographers, stereotypers, electrotypers, photographic printers, photolithographers, chromolitho engravers, block makers, die-makers, envelop makers, type founders, photographers, manufacturers, dealers and designers in playing, visiting, railways, festives, complementary and fancy cards, tickets, stamps and parchments board, straw board, leather board, mill board, corrugated board, duplex board, triplex board, hard board, plywood board, art board, chromo card and photo card.
6. To manufacture, process, buy, sell, import, export, trade or deal in High Density polyethylene, Low Density Polyethylene and ploy propylene woven fabrics of all description.
7. To perform and undertake activities and carry on business pertaining to leasing, giving on hire or hire purchase, warehousing, factoring, providing financial assistance by means of leasing, giving on lease, hire or hire purchase, lending, reselling or disposing off all forms of immovable and movable properties and assets including buildings, godowns, warehouses and real of any kind, nature or user and all types of agricultural, industrial, domestic and other plants, equipments and machineries, computers, electronic date processors, tabulators, air-conditioners, medical equipments, domestic equipments or appliances or any system or products whether industrial or consumer and all types of automobiles, aircrafts, vehicles and ships.
8. To carry on the business as manufacturers, fabricators, assemblers, processors, finishers, repairers, buyers, sellers, importers, let on hire, purchase and dealers in any kind of machine tools, machine tools including drilling, boaring and tapping machines, milling machines, lathe machines, grinding machines, gear cutting and gear grinding machines, and tools for metal cutting and metal working, hammers, and forging machines, welding machines and equipments, welding electrodes, press, sheet, metal shaping machines and equipments, wire working and converting machines, weighing machines and weights, printing machines, cutting machines wood working machines, sewing machine and machine tools of all types, sizes and description.
9. To carry on business of storing of goods, articles, food stuffs, commodities of all kinds in refrigerators, ice chambers, deep freeze, cold storage or warehouses and for this purpose to construct, purchase, hire, take on referigrators, ice chambers, deep freeze and cold storage of lease, develop ware houses, premises, buildings or units.
10. To carry on the business of textile engineers and manufactures and dealers in textile machinery and to manufacture, produce, repair, alter, convert, recondition, resale,

- hire, import, export, market, let on hire, trade and deal in spares, plants, accessories, fittings, engineering goods, rolling stock, hardware required for textile industries.
11. To carry on business as manufacturers, buyers, sellers, dealers, distributors, stockists, importers, exporters, resellers, clearing agents, transporters, processors in all kind of cements including ordinary, white, coloured, Portland, lime cement and cement products of all kinds including pipe fittings, poles, roofs, bricks, prefabricates walls, blocks, tiles, covers, asbestos sheets and by-products and joint products thereof.
 12. To carry on the business as manufacturers, sellers, dealers, distributors, stockists, importers, exporters, resellers, transporters, cleaning agents, processors of lime, bauxite, gypsum, asbestos, limestones, fixing materials, sand, plasters, jute bags, paper bags, gunny bags, HDPE/PP woven bags, packaging materials potteries, earthenwares, sanitary wares, refractories, ceramicwares, and products thereof.
 13. To carry on in India or elsewhere the business of mining, quarries and to prospect for, search for find, get, work, process, crush, smelt, manufacture, refind, blend, clean, convert, store, transport, buy, sell, import, export, distribute, market and deal in all kinds of mineral oil of all kinds, minerals of all kinds, fuels of all kinds, their by-products, joint products, derivatives, mixtures, simifinished products and ores.
 14. To manufacture, buy, sell, exchange, alter, improve, import, export, market or deal in all kinds of wires, bars and conductors including insulated wires, PVC wires, flexible wires, flexible cords, cotton or silk braided wires, conduct wires, low and high tension paper, copper conductors, aluminium conductors, copper bars, aluminium bus bars and their accessories.
 15. To manufacture, buy, sell, distribute, import, export, market and deal in welding electrodes, welding machines, welding fluxes, gas cylinders of all types and sizes, power batteries and cells, torches, cooking range and other domestic appliances.
 16. to carry on business as timber merchants and timber growers and to buy, sell, grow, process, prepare for market, manipulate, import, export, market and deal in timber and woods of all kinds and to manufacture and deal in wooden articles such as furnitures, fixtures, toys, wooden packing cases, domestic appliances, agricultural implements, windows, doors, articles required for construction work, wooden plants and machineries, houses, carriages, sports equipments, chairs, stage materials, exhibition materials, coaches, vehicle bodies and to buy, clear, work, develop and deal in timber estates.
 17. To carry on in India or elsewhere, the business of producing, processing, manufacturing, formulating, using, buying, selling, acquiring, storing, refining, packing, marketing, transporting, distributing, importing, exporting and dealing in every kind and description of fertilizers, manures, chemicals, organic or inorganic chemicals, flouro chemicals, heavy chemicals, fine chemicals, speciality chemicals, acids, alkalies, agrochemicals, industrial chemicals, laboratory chemicals, fatty acids, cellulose derivatives, furfural and its derivatives, starch derivaties, nitrates, flouroides, sulphates, sulpher salts, tannins, chemical auxiliaries, disinfectants, PVC compound, fibe glass, all kinds of gums and gums derivatives, carbon black caustic soda, soda ash, conductive polymers, tripolymers, cellulose polymers, ethyl cellulose, hydroxyl ethyl, nitro cellulose, carboxy methyl cellulose and its salts, micro crystalline cellulose powder, heavy waters, radio isotopes, nuclear reactors and atoms.
 18. To carry on the business as manufacturers, purchasers, sellers, processors, refiners, exporters, importers, and dealers in every kind or description of gases including oxygen, hydrogen, nitrogen, argon, acetylene and its compounds, by-products, jointproducts, ancillary products and its derivatives.

19. To carry on the business as civil engineer, mechanical engineer and the business of construction company and for the purpose to build, erect, execute, administer, construct, alter, maintain, enlarge, pull down remove or replace and market, deal in work, manage and control any buildings, structures, offices, factories, mills, shops, machinery, engineers, road ways, bridges, reservoirs, water house, wharves, electric works, tramways, railways, branches, or sidings, docks, harbours, canals, irrigations, reclamation, sewage, drainage and conveniences of all kinds.
20. To carry on in India or elsewhere the business of processing, converting, producing, manufacturing, formulating, using, buying, acquiring, storing, packing, selling, marketing, transporting, importing, exporting and disposing of all types and description of drugs, drug, intermediates synthetic drugs, medicines, vitamins, antibiotics, basic drugs, drug, intermediates synthetic drugs, medicines, vitamins, antibiotics, basic drugs, pharmaceuticals, biological products, food stuffs for human and animal use, gelatine capsules, sugar, agro-chemicals, bio-chemicals, pesticides, fungicides, germicides, insecticides, weedicides, dye-stuffs, intermediates, textiles auxiliary, colours, acids, varnishes, paints, pigments, synthetic resins, plasticizers, cosmetics, powders, creams, preparation for the teeth, toilet requisites, detergents, surface active agents, cleaning agents, soaps, glasses, pottery, terracotta, artificial stones, cokes, explosives, photographic materials and industrials and industrial chemicals.
21. To carry on the business of investment company and to invest in and acquire and hold shares, stocks, debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any company, firm, person, local authority or institution whether in India or elsewhere and also carry on the business for to buy and invest in National Saving Certificate, Unit Trust of India, Public Provident Fund and other government schemes existing from time to time.
22. To provide package of investment services by acting as managers to the public issue of shares, debentures, debenture bonds, securities by underwriting and to act as issue houses.
23. To Carry on business as manufacturers, buyers, sellers, dealers, distributors, exporters, importers, hirers, stockists, surveyors, valuers, agents, clearing agents, processors, assemblers, repairers, erection and commissioning of agricultural implements, equipments and machineries of all types and sizes either power driven or hand operated including harvesters, thrashers, winnowers, cultivators, seeds and fertilizers drillers, sprinklers, dairy machines, elevating machines, conveying machines, transmission machines, tractors, sprayers, hullers, hand and industrial blowers, drilling machines, oil engines, diesel engines, kerosene engines, petrol engines, internal combustion engines and their raw materials, components, semifinished goods, accessories and spare-parts.
24. To carry on the business as manufacturers and dealers in all types of electrical, electronic, mechanical, microprocessor based, electro-mechanical computerized equipments including X-ray machines, ultra sound machines, scanners ECG machines, echo cardiographic machines, electro surgical instruments and digital Blood Pressure instruments required for medical, surgical operations, hospitals, dispensaries, medical centres, research laboratories, educational institutions, scientific and other institutions or organizations or companies.
25. To carry on the business as electroplaters, nickelplaters, chromium platers, metalsprayers, oxidizers, anodisers and metalplaters, general painters, varnishers, lacquerers, enamellers, polishers, welders, braziers, gilders, goldsmiths, silversmiths, watchmakers and jewelers.

26. To carry on the business as manufacturers and dealers in metal wares, glass-wares, leather-wares, research equipments and appliances.
27. To manufacture, fabricate, assemble, buy, sell, market, let on hire, import, export, repair, maintain and deal in all kinds and description of automobile, whether propelled or assisted by means of petrol, spirit, gas, mineral oil, electricity, animal, atomic or any kind of fuel or power or energy including auto cycles, motorcycles, scooters, mopeds, motor cars, auto rickshaws, trucks, tractors, delivery vans, tankers, lorries, buses, minibuses, matador tempo, motor boats, motor launches or other vehicles and their spareparts, components, accessories and ancillary equipments, including automotive equipments, axles, hydraulic jacks, airbrakes, suspension units, pressed steel cabs, bearing, piston rings, crank shafts, truck bodies, tires and tubes.
28. To set up, operate, fabricate, market and deal in steel furnace, steel rolling mills, steel rolling plant and to re-roll mild, low, medium. High carbon and alloy steel and alloy cold rolled and hot rolled strips, refine alloy and manufacture ingots, skelped billets of special steel and alloy steels and to act as steel makers, steel converters ship breakers and to manufacture metallurgical products in all forms.
29. To manufacture, produce, trade, export, import, market and deal in re-rolled sections of all sizes and specifications of ferrous and nonferrous, including angles, bars, flats, plates, rods, rails, round, octagons, hexagons, joint channels, sheets, strips, plates and cold twisted bars and other structures, steel extruded sections, forgings and to manufacture and deal in domestic goods made up of any metals and to manufacture and deal in steel and aluminum and other ferrous and non-ferrous metals.
30. To carry on the business of manufacturers, fabricators, exporters of and dealers in wrought iron, pig iron, copper, brass, aluminum and other metals, metal alloys and scrap metals, skullcap and metallic residue and mineral substances or compounds or products of any kind or description whatever.
31. To carry in India or elsewhere the business of designing, engineering, fabricating, manufacturing, assembling, marketing, importing, exporting, selling, purchasing, leasing, distributing, supplying on turnkey basis or servicing, maintaining, erecting and commissioning, repairing and dealing in earth moving machineries, road making and construction machineries including power plants, road rollers, mixer machines and weight lifting machineries including chain pulley blocks, graded chains, mobile crane, overhead cranes, fork lift, passenger lift, elevators, vibrators, hydraulic jacks, excavators, air compressor, reduction gears, speed reducers, lift fighting equipments and plants, machinery and structures required for refining, processing, testing, storing, converting and transporting of all types of mineral oils, their by-products and ancillary products.
32. To carry on in India or elsewhere the business as manufacturers, producers, fabricators, processors, buyers, sellers, assemblers, importers, exporters and dealers in electrical, electronic or electromechanical or mechanical equipments, appliances, machineries, their components, accessories, spare parts and systems required for industrial, agricultural, domestic or other purposes including all types of meters, measuring instruments, testing instruments, calibrating instruments, protection, auxiliary and other relays, sonic or ultra sonic equipments, radars, computers, minicomputers, data processing equipments, micro processor based equipments, microwave equipments, control system or equipments, equipments required for atomic reactors and space applications, control systems, audio visual communication equipments, image and document production equipments, broadcasting and cinematographic equipments, test room equipments, scientific instruments, medical and surgical equipments, oscilloscopes, electric motors of all types, electric furnaces, cremation furnaces, instrument transformers, current transformers, potential

transformers, power line carrier communication equipments, telemetering equipments, bus ducts, tap changers, tertiary testing equipments, switches, which and control boards, control panels, time switches, radio control switches, circuit breaker of all types, switch gears and control gears, porcelain insulators, starters, boosters, rectifiers, low and high voltage transformers, vacuum gauges, television sets, tape recorders, video games, receiver sets, amplifiers, audio system, calculators, electronic components including capacitors, transistors, electric and electro-mechanical parts, printed circuit boards, diodes, resistors, indicators, transformers, ferrite tubes, television tube, picture tubes, incandescent lamp, miniature lamps and tubes, integrated circuits, thyristors, lamination sheets, stampings, all types of insulating materials, fuses, floppy disc, magnetic tapes, magnetic disc, record players, changers, zip fasteners, watches, water filters valves, pressure vessels and gauges, heat exchangers, dehumidifiers and corrosion control equipments and arms and ammunition required for defence.

33. To carry on business as a transporters, couriers and carriers of every kind and description of goods, materials, luggages, merchandise, animals or passengers boxes covers, cards, papers and valuable articles from place to place either by air or by land or river or sea or partly by sea or river and partly by land or air and for the purpose own, hire, take on rent, give on rent, sale, purchase, market and deal in motor vehicles, aero planes, animal drawn vehicles, car, ships, steamer, trucks, buses, minibuses and to carry on the business of general carriers, railway and forwarding agents, clearing agents, warehousemen, storekeepers, bonded caremen and common caremen and for the purpose to own, hire, lease, take on rent, give on rent any buildings, warehouse or other facilities and to operate, establish, own and maintain garages, service stations, workshops, terminal freight point and to store, repair, rent and lease motors, buses, automobiles or other vehicles.
34. To carry on the business of designing, engineering, fabricating, manufacturing, assembling, marketing, importing, exporting, selling, purchasing, leasing, distributing, supplying, on turnkey basis or servicing, maintaining, erecting and commissioning, repairing and dealing in all kind and description of industrial plants, petro-chemical plants, cement plants including rotary kilns and fluxo packers, fertilizer plants, chemical vessels, sugar plants, edible and non edible oil extraction plants, pulps, pulp and paper manufacturing plants, pollution control equipments, crystalliser plants, bottling plants, drying plants, power plants, coal and material handling plants, dairy plants, plastic processing machinery, cement machinery, beverage machinery, air conditioning and refrigeration plants and their machineries, components, accessories, ancillary equipments, instruments and appliances.
35. To carry on the business as manufacturers, buyers, purchasers, sellers, processors, producers, importers, exporters, researchers, developers, consultants, advisors and dealers in every kind and description of ceramics, ceramic products, technical alumina, alumina products, their raw materials, by-products, joint products, auxiliary products and allied products including alumina titania ceramic textile thread guides, alumina ceramic seals, alumina nozzles, alumina and zircon granules, industrial grade ceramic wool, ceramic deburring and grinding media, ceramic coating, ceramic cutting tools, oxide ceramics of boron-nitride, titania alumina and zircon based ceramics, assorted alumina products and potteries.
36. To carry on the business of extracting, refining, processing, blending, dealing, purchasing, selling, edible or non-edible, oils, rasa, rasavana, fats, basic, substances, elements or ingredients from all types of oil seeds, cash crops, seeds, food grains, cereals, nuts, cakes, agricultural produces, vegetables, leaves, roots,

flowers, herbs, plants, shrubs and trees and for the purpose to run or carry on extraction plants, processing or refining plants and all other allied activities and to deal in purchase, sell, export import, or market such resultant products, or produces and their derivatives, by-products, joint products, finished products, raw materials or semi-processed materials.

37. To carry on the business as buyers, sellers, exchangers, importers, exporters, assemblers, distributors, repairers, or dealers in all the accessories, raw materials, spare parts and components required for the purpose of the business of the Company.
38. To carry on business as organizer, developer, contractor or owner or dealer of any land, residential buildings, commercial buildings, shops, offices or any other buildings, and for the purposes to purchase, take on lease, acquire, hold, develop, prepare building sites, contract, reconstruct, repair, maintain, pull down, alter, improve, decrease, furnish, sell, market, give on hire, purchase or on instalment or deal in any lands, residential buildings, commercial buildings, commercial buildings, shops, offices, club houses, works and sanitary conveniences of all kinds and to lay out roads, drainage pipes, water pipes and electric installations and to set apart lands for pleasure, gardens and recreation grounds or improve the land or any part thereof.
39. To carry on in India or elsewhere, the business of producing, processing, converting manufacturing, formulating, factoring, using, buying, acquiring, storing, refining, packaging, selling, marketing, transporting, distributing, importing, exporting, and dealing in all kinds and description of petrochemicals, petroleum products its by-products, joint products, ancillary products and derivatives thereof whether in liquid, solid, flake or gaseous form, including benzene, ethylene, propylene, polypropylene, propane, ethane, butanes, butadiene, isoprene, rubber, naphtha, methane, methanol, melamine, naphthalene, cyclohexanone, phenol, acetic acid, calcium acetate, vinyl acetates, polyurethanes and polyurethanebased chemicals, polyols and cyanides of all kinds, disocynides, phosgene, polycarbonates, ammonia, caprolactam, adipic acid, hexamethylene, diamine, amine compounds of lower and higher alkenes or toluene, phthalic anhydride, alkyd resins, polyester fibres and films, mixed xylenes, paraxylene, metaxylene, toluene, cumene, styrene, polymer products of all types including block polymers, graft polymers, random polymers, co-polymers, homo polymers, acrylonitrile co-polymers, butadiene styrene acrylonitrile terpolymers, butadiene styrene, polysaccharide of all kinds, synthetic rubbers, acrylonitrile rubber, styrene butadiene rubber, methacrolein, maleic anhydride, methacrylates, urea, formaldehyde, fibres of all kinds, including acrylic fibres, carbon fibres, polypropylene fibres, polyvinyl alcohol fibres, optical fibres, polycarbonate resins, formaldehyde resins, polyvinyl acetate resins, nylons of all kinds, hydrogen cyanide, poly methyl purified terephthalic acid, dimethyl terephthalate, poly vinyl chloride, acetylene, ethylene dichloride, ethylene oxide, ethylene glycol, polyglycols of ethylene, paraxylene, poly styrene, poly propylene, isopropanol, acetone, propylene oxide, propylene glycol, acrylonitrile, acrolein, acrylic esters, allyl chloride, epichlorhydrin, epoxy resins, plastics of all types, oxides of all types, chlorinated hydrocarbons, halogenated hydrocarbons, aliphatic and aromatic alcohols, ketones, aromatic acid, anhydrides, linear alkyl benzene, linear alkyl benzene sulfonates, quaternary ammonium compounds, alcohol epoxylates, alcohol epoxysulphates, monomer and polymers of vinyl acetate, vinyl chloride, esters of ortho meta and para and terephthalic acids, lubricating oils, transformer oils, furnace oils, and polymers in all their forms like resins, fibred sheets, mouldings and castings.

40. Subject to the provisions of the provisions of law applicable to carry on in India or elsewhere the business of running hotels, motels, restaurants, coffee houses, eating houses, lodging houses, boarding houses, flight kitchens, club houses, holiday resorts, holiday homes, travels and tours, health clubs, swimming pools, rest houses, entertainment houses and for this purpose to purchase, give on hire, construct, build, manage, improve alter, demolish.
41. To carry on in India or elsewhere the business of manufacturing, producing, processing, sizing, drawing crimping, twisting, texturising, blending, mixing, purchasing all kinds of natural and man-made fibres, fibre yarns, fibre cords, cotton yarns, polyester staple fibres, jute, wool, silk, core, art silk, nylon fibres, staple fibres, fabrics, plastic fabrics, synthetic and other fibrous materials, cloths, dressing materials, furnishing materials, handicrafts, khadi uniforms, readymade garments, apparels, carpets, blankets, padding, knitted goods, decorative materials, woven bags, hosiery, gloves, sewing threads, ropes, covers and packing materials.
42. To carry on the business as finance industrial enterprises and promote of Companies engaged in industrial and trading business and to manage syndicates in securities, finance and real estate.
43. To carry on the business as importers, exporters, buyers, sellers, dealers, principal or agent in all kinds of plant and machineries, equipments and instruments, articles, apparatus, appliances, accessories and fittings for the objects of the company.
- IV. The Liability of the members is limited.
- V. The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) dividend into 2,00,00,000 (Two Crores) Equity shares of Rs.10/- (Rupees Ten) each.

ARTICLES OF ASSOCIATION OF LYPSA GEMS & JEWELLERY LIMITED

Table “A” Not to Apply

1. (a) The regulations contained in the Table market “A” in schedule I of the companies Act, 1956 (hereinafter called the Act or the said Act) shall not apply to the company, except in so far as the same are repeated, contained or expressly made applicable in these articles or by the said Act.

Company to Be Governed By These Articles

- (b). The regulations for the management of the company and for the observance of the members thereto and their representative, 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 or permitted by the Act, be such as are contained in these Articles.

INTERPRETATION

Heading Not Authoritative

2. (a) The headings used in these Articles shall not affect the construction hereof.

Interpretation Clause

In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context.

“The Company” or “This Company”

“The Company” or “This Company” means “LYPSA GEMS & JEWELLERY LIMITED “, Public Company incorporated under the Companies Act, 1956.

“The Act”

“The Act” or “The Said Act” means the companies Act, 1956 (Act 1 of 1956) and subsequent amendments thereto or any statutory modifications or re-enactments thereto or any statutory modifications or re-enactments thereof for the time being in force.

“Alter and Alteration”

“Alter and Alteration” shall include the making of additions and omissions.

“Annual General Meeting “

“Annual General Meeting “ means a general meeting of the members held in accordance with the provisions of section 166 of the Act and adjourned holding thereof.

Articles

“Articles mean the Articles of Association of the Company as originally framed or as altered from time to time.

“Auditors”

“Auditors” means and includes those persons appointed as such for the time being by the Company.

“Board” or “Board of Directors”

“Board” or “Board of Directors” mean a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board, or the requisite number of Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles, or the Directors of the Company collectively.

“Body Corporate” of “Corporation”

“Body Corporate” of “Corporation” includes a Company incorporated outside India but does not include:

- (i) a corporation sole;
- (ii) a co-operative society registered under any law relating to co-operative societies; and
- (iii) Any other body corporate (not being a company as defined in the Act) which the Central Government may, by notification in the Official Gazette, specify in this behalf.

“Capital”

“Capital” means the share Capital for the time being raised or authorized to be raised, for the purpose of the company.

“Company”

“Company” means LYPSE GEMS & JEWELLERY LIMITED “a public company incorporated under the companies Act, 1956.

“Corporation”

“Corporation” shall include a company whether incorporated and formed under the Act or not.

“Debentures”

“Debentures” include debenture-stock, bonds and other securities of the company, whether constituting a charge on the assets of the Company or not.

“Directors”

“Directors” means the Directors for the time Company or, as the case may be, the Directors assembled at a meeting of the Board or acting by Circular Resolution under the Articles.

“Dividend”

“Dividend” includes bonus unless otherwise stated.

“Document”

“Document” includes summons, notice, requisition order, other legal process and

“Extraordinary General Meeting”

“Extraordinary General Meeting” means general meeting of the members other than Annual General Meeting duly called and constituted and may adjourned holding thereof.

“Gender”

Words importing the masculine gender also include, where the context requires or admits, the feminine gender.

“Managing Director”

“Managing Director” means a director who by virtue of an Agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management.

“Meeting “or “General Meeting”

“Meeting “or “General Meeting” means a meeting of members.

“Members”

“Members” means the duly registered holder from time to time of the share of the company and includes the subscribers of the Memorandum of the company.

“Memorandum”

“Memorandum” means the Memorandum of Association of the company as originally framed or as altered from time to time.

“Month”

“Month” means a calendar month.

“Office”

“Office” means the registered office for the time being of the company.

“Ordinary Resolutions”

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

“Paid Up”

“Paid up Capital” or “Capital paid up” includes Capital credited as paid up.

“Persons”

“Persons” includes firms and corporations as well as individuals.

“Plural Number”

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

“Proxy”

“Proxy” include attorney duly constituted under the power of attorney.

“Public Holiday”

“Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (xxvi of 1881); provided that no day declared by the Central Government to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.

“Register of Members”

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

“Register”

“Register” means the Register of companies of the state in which the Registered Office of the Company is for the time being situated.

“Regulations”

“Regulations or the Company’s Regulations” means the regulations for the time being or the management of the Company.

“Seal”

“Seal” means the Common Seal of the Company for the time being.

“Secretary”

“Secretary” means a Company Secretary within the meaning of Section 2(1) (c) of the Companies Secretaries Act, 1980, and includes any individual possessing the prescribed qualifications and appointed as Secretary of the Company to perform the duties which may be performed by the Secretary under the “Act” and any other ministerial or administrative duties.

“Section”

“Section” or “Sections” means a Section of the Act for the time being in force

“Share”

“Share” means share in the Share Capital of the Company, and included stock except where a distinction between stock and share is expressed or implied.

“Special Resolution”

A Resolution shall be a Special Resolution when –

- (i) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution;

- (ii) The notice required under the Act has been duly given of the general meeting; and
- (iii) the vote cast in favour of the resolution (whether on a show of hands, or on a poll, as the case may be) by members who, being entitled so to do vote in person, or where proxies are allowed by proxy, are not less than three times the numbers of the votes, if any, cast against the resolution by members so entitled and voting.

“These Presents”

“These Presents” means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time by Special Resolution.

“Variation” and “Vary”

“Variation” shall include abrogation and “Vary” shall include abrogate.

“Written” and “In Writing”

“Written” and “In Writing” include printing, lithography and any other mode or modes of representing or reproducing words in a visible form or partly one and partly the other,

“Year” and “Financial Year”

“Year” means a calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(17) of the Act.

“Expression in the Act to bear the same meaning in Articles”

- (b) Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

Copies of Memorandum and Articles to be Furnished by the Company

- 3. Pursuant to Section 39 of the Act, the Company shall, on being so required by a member, send to him within 7 (seven) days to the requirement and subject to the payment of a prescribed fee, a copy of each of the following documents, as in force for the time being
 - (i) the Memorandum;
 - (ii) the Articles, if any;
 - (iii) every other agreement and every resolution referred to in Section 192, of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

Company’s Funds may not be Applied in Purchase of or Lent for Shares of the Company

- 4. (a) The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 100 to 104 or Section 402 of the Act.

- (b) The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.

Provided that nothing in this clause shall be taken to prohibit:

- (i) The provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or
- (ii) The making by the Company of loans, within the limit laid down in Sub-Section (3) of Section 77 of the Act, to persons (other than Directors or Managers) persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership.
- (c) No. loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months.
- (d) Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 80 of the Act.

Share Capital and Variation of Rights

- 5. (a) The Authorized Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each, with power to increase or reduce the share capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, cumulative convertible preference, guaranteed, qualified, or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association.
- (b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or

credited as paid-up on such equity shares respectively at the commencement of the winding up.

Increase Reduction and Alteration of Capital

6. The Company may from time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.

On what Conditions the New Shares may be Issued

- (a) Subject to the provisions of Section 80,81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given then as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said Sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of said Sections with special or without any right of voting and subject to provisions of section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.

Further Issue of Capital

- (b) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of the increased share capital:
- (i) such further shares shall be offered to the person who at the date of offer, are holders of the equity shares of the company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date.
 - (ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than one month from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
 - (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice shall contain a statement of this right.
 - (iv) After the expiry of the time specified in 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 as they think most beneficial to the Company.

- (v) Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the person referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.
 - (a) if a special resolution to that effect is passed by the company in General Meeting, or
 - (b) where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.
- (vi) Nothing in sub-clause (c) of (1) hereof shall be deemed;
 - (a) To extend the time within which the offer should be accepted; or
 - (b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (vii) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed 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. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the Company.
 - (i) to convert such debentures or loans into shares in the Company; or
 - (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

Directors may Allot Shares as Fully Paid Up

- (c) Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, good or, machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.

Same as Original Capital

- (d) 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 original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installment, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.

Unclassified Shares

- (e) Any unclassified shares (whether forming part of the original capital or of any increased capital of the company) may subject to the provisions of the Act and these presents be issued either with the sanction of the company in General Meeting or by the Directors and upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting sanctioning the issue of such be directed and, if no such direction be given and in all other cases, as the Directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of the company and any preference shares may be issued on the terms that they are or at the option of the company are to be liable to be redeemed provided however that (1) no shares shall be issued pursuant to this Article without the sanction of the Company in General Meeting unless they shall subject to the provisions of Section 81 of the Act be offered to the persons who are holders of equity shares of the Company in proportion, as nearly as circumstances admit to the capital paid up on those shares and (2) no unclassified shares shall without the sanction of the Company in General Meeting be issued as preference shares if the aggregate nominal amount of issued preference shares would thereby exceed the aggregate nominal amount of the issued equity shares of the company.

Power to Issue Redeemable Preference Shares

7. (a) Subject to the provisions of section 80 of the Act and subject to the provisions on which any shares may have been issued, the company may issue preference shares which are or at the option of the company are to be liable to be redeemed:

Provided that:

- (i) no such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption;
 - (ii) no such shares shall be redeemed unless they are fully paid;
 - (iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the company or out of the company's share premium account before the shares are redeemed;
 - (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to be a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the company shall, except as provided in section 80 of the Act, apply as if capital redemption reserve account were paid up share capital of the company.
- (b) Subject to the provisions of section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.
- (c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its authorized share capital.
- (d) where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly, the share capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

- (e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares

of the Company to be issued to members of the Company as fully paid bonus shares.

Provision in Case of Redemption of Preference Shares

8. The company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares to redeem at per the whole or part of the preference shares for the time being outstanding by payment of the nominal amount thereof with dividend calculated up to the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in case of redemption of part of the preference shares the following provisions shall take effect:
- (a) The shares to be redeemed shall be determined by drawing of lots which the company shall cause to be made at its registered office or at such other place as the Directors may decide, in the presence of one Director at least; and
 - (b) Forthwith after every such drawing, the Company shall notify to the shareholder whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company or at such other place as the directors may decide at the time and on the date to be named against surrender of the Certificates in respect of the shares to be redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of the Company shall pay the amount payable to such shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.
 - (c) Subject to the provisions of Section 180 of the Act, the following provisions shall apply in regard to the redemption of the Cumulative Preference Shares.
 - (i) The Company may within such time may be specified in these Articles be an amendment thereof from the date of issue of the shares, apply any profits or moneys of the Company which may be lawfully applied for the purpose in the redemption of the preference shares at par, together with a sum equal to arrears of dividend thereon drawn to the date of redemption.
 - (ii) In the case of any partial redemption under sub-clauses (c) (I) of the Article, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a drawal to be made at the Registered Office or at such other place as the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company.

- (iii) Forthwith after every such drawal the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same fixing a time (not less than three months thereafter) and the place for redemption and surrender of the shares to be redeemed.
 - (iv) At the time and place so fixed each holder shall be bound to surrender to the Company the certificate for his share to be redeemed payable in respect of such redemption and where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefor.
 - (v) Any of the Redeemable Cumulative Preference Shares not previously redeemed under the foregoing provisions shall be redeemed at the expiry of 5 years from the date of the issue of the shares at par together with all arrears of the dividend thereon (whether earned or declared or not upto the date).
- (d) Subject to the provisions of the Articles, the Company shall be entitled to create and issue further Preference Shares ranking in all or any respects pari passu with the preference shares then outstanding, PROVIDED in the event of its creating and/or issuing further preference shares ranking pari passu with the Preference shares then outstanding the Company would do so only with the consent of the holders of not less than three-fourths of the preference shares then outstanding.
- (e) The Redeemable Cumulative Preference Shares shall not confer upon the holders thereof the right to vote thereon in person or by proxy at any general meeting of the Company save to the extent and in the manner by Section.87(2) of the Act.
- (f) The rights, privileges and conditions for the time being attached to the Redeemable Cumulative Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.

Cumulative Convertible Preference Shares

9. Subject to the provisions of the Act and the guidelines issued by the Central Government from time to time under the provisions of the Act and/or the provisions of the Capital Issues (Control) Act, 1947, the Company may issue Cumulative Convertible Preference Shares (CCP) in such manner as the Board of Directors of the Company may decide and specifically provide for:
- (i) The Quantum of issue;
 - (ii) The terms of the issue with particular reference to the conversion of CCP into the equity shares of the Company;
 - (iii) The rate of cumulative preferential dividend payable on CCP, the voting rights to be attached to CCP and any other terms and conditions which may be attached to the issue of CCP and as permissible in law.

Reduction of Capital

10. The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its share capital and any Capital Redemption Reserve

Account or Premium Account in any manner for the time being authorized by law in particular without prejudice to the generality of the foregoing power may by:

- (a) Extinguishing or reducing the liability on any of its shares in respect of share capital not paid up;
- (b) Either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or
- (c) Either with or without extinguishing or reducing liability on any of its shares pay off any paid up share capital which is in excess of the wants of the Company;

and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Division, Sub-division, Consolidation, Conversion and Cancellation of Shares

11. Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) Consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;
- (b) Sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and 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; and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;
- (c) Convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination;
- (d) Cancel, shares which at the date of such general meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled

Notice to Registrar of Consolidation of Share Capital, Conversion of Shares into Stocks Etc.

12. (a) If the Company has :

- (i) Consolidated and divided its share capital into shares of larger amount than its existing shares;
- (ii) Converted any shares into stocks;
- (iii) Re-converted any stock into shares;
- (iv) Sub-divided its shares or any of them;
- (v) Redeemed any redeemable preference shares; or
- (vi) Cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act.

The Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks re-converted.

- (b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

Modification of Rights

13. If at any time the share capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and Whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to general meeting shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 103 is not present, those persons who are present shall be the quorum.

SHARES AND CERTIFICATES

Issue of Further Shares not to Affect Right of Existing Shareholders

14. The rights or privileges conferred upon the holders of the shares of any class issued with preference 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 or modified or affected by the creation or issue of further shares ranking pari passu therewith.

Provisions of Sections 85 to 88 of the Act to apply

15. The provisions of Sections 85 to 88 of the Act in so far as the same may, be applicable shall be observed by the company

Register of Members and Debentureholders

16. (a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debentureholders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debentureholders in accordance with Section 157 of the Act.
- (b) The Company shall also comply with the provisions of sections 159 and 161 of the Act as to filing of Annual returns.
- (c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, indexes, copies of Annual Returns and giving inspections thereof and furnishing copies thereof.

Commencement of Business

17. The Company shall comply with the provisions of Section 149 of the Act.

Restrictions on Allotment

18. The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

Share to be Numbered Progressively and no share to be Subdivided

19. The Shares in the capital shall be numbered progressively according to the several denominations and except in the manner herein before mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Share at the Disposal of the Directors

20. Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors may think fit, and may issue and allot shares in the Capital of the Company in payment in full or part for any property sold and transferred or for services rendered to the company in full or part for any property sold and transferred or for services rendered to the company in the conduct of its business, and any shares which may be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares and is so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without sanction of the Company in the General Meeting.

Every Share Transferrable etc.

21. (i) The shares or other interest of any member in the Company shall be movable pro-perty, transferable in the manner provided by these Articles.
(ii) Each share in the Company shall be distinguished by its appropriate number.
(iii) A certificate under the Common Seal of the Company, specifying any shares held by any member shall be, prima facie, evidence of the title of the member of such shares

Application of Premium received on Issue of Shares

22. (a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of value of the premium on those shares shall be transferred to an account to be called "the share premium account"; and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the share premium account were paid up share capital of the Company.
(b) The Share Premium account may, notwithstanding, anything in clause (a) above, be applied by the company:
(i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
(ii) In written off the preliminary expenses of the Company;
(iii) in written off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or
(iv) in providing for the premium payable on the redemption of any redeemable preference shares or any debentures of the Company.

Sale of Fractional Shares

23. If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provision of the Act and these Articles if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see the applications of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Acceptance of Shares

24. An 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 on the Register of Members shall for the purpose of these Articles be a member. The Directors shall comply with the provisions of Sections 69,70,71,72 and 73 of the Act in so far as they are applicable.

Deposits and Calls etc. to be a Debt Payable Immediately

25. The money (if any) which the Board 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, immediately, on the insertion of the insertion of the name of 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.

Company not Bound to Recognise any Interest in Shares other than of Registered Holder

26. Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognize any benami, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of section 153 of the Act shall apply.

Declarations of Person not Holding Interest in Shares

27. When any declaration is filed with the Company under the provisions of Section 187C of the Act by any holder of shares who does not hold beneficial interest in such shares specifying the particulars of the person holding beneficial interest in such shares or by a person who holds beneficial interest in any shares of the company but is not the registered holder thereof, the Company shall make a note of such declaration in its register of members and file, within 30 days from the date of receipt of the declaration by it, a return with the registrar with regard to such declaration.

Issue of Certificate of Shares to be Governed by Section 84 of the Act etc.

28. (a) Shares/Debenture Certificates shall be issued in marketable lots and where share/debenture certificates are issued for either more or less than marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.”
- The issue of certificates of shares or of duplicate or renewal of certificates of shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being.
- (b) The Certificate of title of shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorized persons as may be prescribed by Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.
- (c) The Company shall comply with all rules and regulations and other directors which may be made by any component authority under Section 84 of the Act.
- (d) A common form of transfer shall be used, for transfer for its Shares and/or Debentures.

Limitation of Time of Issue of Certificate

29. (a) Every member shall be entitled, without payment, to one Certificate for all the shares of each class or denomination registered in his name, or to several certificates, each for one or more of such shares and the Company shall complete and deliver such Certificates within the time provided by Section 113 of the Act unless the conditions of issue thereof otherwise provide. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors shall prescribe or approve provided that in respect of a shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.
- (b) The Company may not entertain any application for split of share/debenture certificate for less than 10 shares/debentures (all relating to the same series) in market lots as the case may be.
- Provided however this restriction may not apply to an application made by the existing member or debenture holder for split of share/debenture certificate with a view to make an odd lot holding into a marketable lot subject to verification by the Company.
- (c) Notwithstanding anything contained in Clause (a) above the Directors shall however, comply with such requirements of the stock Exchange where shares of the company may be listed or such requirement of any rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.

Issue of new Certificates in place of one Defaced Lost or Destroyed

30. If any certificates be worn out, defaced, mutilated or torn if there be no, further space on the back thereof 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 be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under this Article shall be issued without payment of fees. Out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors.
- Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rule made under the Act or the Rules made under Securities Contract (Regulation) Act, 1956 or any other Act, on Rules applicable in this behalf.
- The provisions of the Article under this heading shall mutatis mutandis apply to debentures of the Company.

UNDERWRITING COMMISSION AND BROKERAGE

Power to pay Certain Commission and Prohibition of Payment of all other Commissions Discounts etc.

31. (A) The Company may pay a commission to any person in consideration of:
- (i) His subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act, or
 - (ii) His procuring or agreeing to procure subscriptions whether absolute or conditional for any share in or debentures of the Company, if the following conditions are fulfilled, namely:
 - (a) The commission paid or agreed to be paid does not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debenture are issued;
 - (b) The amount and rate percent of the commission paid or agreed to be paid, on commission paid or agreed to be paid, on shares on debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the Public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the commission with the Registrar and where a circular or notice not being a prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;
 - (c) The number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and
 - (d) A copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.

- (B) Save as aforesaid and save as provided in Section 79 of the Act, the Company shall not allot any of its shares or debentures or apply any of its money, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of:
 - (i) His subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;
 - (ii) His procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company, or the money be paid out of any work to be executed for the Company, or the money be paid out of normal purchase money or contract price or otherwise.
- (C) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the company to pay.
- (D) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.
- (E) The Commission may be paid or satisfied (Subject to the provisions of the Act and these articles) in cash, or in shares, debentures or debenture-stock of the Company.

CALLS

Directors May Make Calls

- 32. The Director may time to time and subject to Section 91 of the Act and subject to the terms on which any shares/debentures 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 calls as they think fit upon the members/debentures holders in respect of all moneys unpaid on the shares/debentures held by them respectively and each member/debenture holder shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installment as may be decided by the Board. A call may be postponed revoked as the Board may determine.

Calls To date From Resolution

- 33. A call shall be deemed to have been made at the time when the resolution of the directors authorizing such call was passed and may be made payable by members/ debenture-holders on a subsequent date to be specified by the Directors.

Notice of Call

- 34. One month notice in writing shall be given by the Company of every call made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may be notice in writing to the members/debenture-holders to revoke the same.

Directors may Extend Time

35. The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members/debenture-holders who on account of residence at distance at a distance or other cause, the Director's may deem fairly entitled to such extension, but no member/debenture-holder shall be entitled to such extension, save as a matter of grace and favour.

Sums Deemed to be Calls

36. Any sum, which by the terms of issue of a share/debenture becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share/ debenture 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 the same becomes payable, and in case of non-payment, all the relevant provisions 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.

Installments on Shares to be Duly paid

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

Calls on Shares of the Same Class to be made on Uniform Basis

38. Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.

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

Liability of Joint Holders of Shares

39. The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.

When Interest on Call or Installment Payable

40. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder of the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Partial payment not to Preclude Forfeiture

41. Neither a judgment 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 thereof not the receipt by the Company of portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of any such payment preclude the forfeiture of such shares as herein provided.

Proof on trial of suit for Money due on Shares

42. On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls not that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted not any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in anticipation of Calls may Carry Interest

43. (a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the money due upon the shares held by him, beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, to the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.
- (b) The member shall not however be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

LIEN

Company's Lien on Shares/Debentures

44. The Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid-up shares and/or debentures) registered in the name of each Member and/or debenture holder (whether held singly or jointly with others) in respect of all moneys called or payable at a fixed time in respect of such shares whether the time for payment thereof shall have actually arrived or not and shall extend to all dividends, interest right and bonuses from time to time declared in respect of such shares and/or debentures. Unless otherwise agreed the registration of transfer of shares and/or debentures shall operate as a waiver of Company's lien, if any, on such shares and/or debentures. The Directors may at

any time declare any share and/or debenture wholly or in part exempt from the provisions of this Article.

As to Enforcing Lien by sale

45. For the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debentures and may authorize one of their members or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such member/debentureholder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice of atleast 30 days in writing of the intention to sell shall have been served on such member and/or debentureholder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of Proceeds of Sale

46. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.
- (b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognize equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

FORFEITURE

If Call or Installment not Paid Notice must be given

47. (a) If any member or debentureholder fails to pay the whole or any part of any call or installment or any money due in respect of any share or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debentureholder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.
- (b) The notice shall name a day not being less than one month days from the date of the notice and a place or places, on and at which such call, or

installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited.

In Default of Payment Shares or Debentures to be Forfeited

48. If the requirements of such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company, in respect of the payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.

Entry of Forfeiture in Register of Members/Debentureholders

49. When any shares/debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debentureholder in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members or debentureholders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Forfeited Share/Debenture to be Property of Company and may be sold

50. Any share or debenture 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 or to any other person upon such terms and in such manner as the Directors shall think fit.

Power to Annul Forfeiture

51. The Directors may, at any time, before any shares or debentures so forfeited shall have been sold, re-allotted or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit.

Shareholders or Debentureholders Still Liable to pay Money Owing at Time of Forfeiture and interest

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

Effect of Forfeiture

53. The forfeiture of a share or a debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of these rights as by these Articles are expressly saved.

Certificate of Forfeiture

54. A Certificate in writing under the hand of one Director and countersigned by the Secretary or any other Officer authorized by the Directors For the Purpose, that the call in respect of a share or debenture was made and notice thereof given and that default in the call was made that the forfeiture was made by a resolution of Directions to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.

Validity of sales under Articles 43 and 50

55. Upon any sale after Forfeiture or for enforcing a lien in purported exercise of the powers here in above given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the share or debentures sold and cause the purchaser's name to be entered in the Register of members or Register of debentureholders in respect of the share or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceeding, or to the purchase money and after his name has been entered in the Register of members or debentureholders in respect of such shares or debenture the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

Cancellation of Share/debenture Certificate in Respect of Forfeited Share/Debentures

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debentureholder) stand cancelled and become null and void and be of no effect, and the directors shall be entitled to issue a duplicate certificate/s in respect of the said share or debentures to the person/s entitled thereto.

Title of Purchaser and Allottee of Forfeited Shares/Debentures

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

Surrender of Shares or debenture

58. The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debentureholder desirous of surrendering them on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Register of Shares or Debenture

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

Form of Transfer

60. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof.

Instrument of Transfer to be Executed by Transferor and Transferee

61. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

Directors may Refuse to Register Transfer

62. (a) Subject to the provisions of Section 111 of the Act and Section 22 of Securities Contract (Regulations) Act, 1956 and the rules and regulations made thereunder, the Directors may, at their own absolute and uncontrolled discretion, decline by giving reasons to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being eight alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares.
- (b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission by operation of law of the rights to, any shares or interest of a member in or debentures of the Company.

Transfer of Share

63. (a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless object is made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register of

members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

- (b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.
- (c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company alongwith the Certificate relating to the shares and if no such Certificate is in existence, alongwith the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer, provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.
- (d) Nothing in clause (c) above shall prejudice any power of the Company to register as share holder any person to whom the right to any share has been transmitted by operation of law.
- (e) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

Custody of Instrument of Transfer

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

Transfer Books and Register of Members when Closed

- 65. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books. The Register of members or Register of debentureholders 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.

Transfer to Minors etc.

- 66. Only fully paid shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

Title to Share of Deceased Holder

67. The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a Succession Certificate or the legal representative of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognize as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 66 register the name of any person who claims to be absolutely entitled to the shares standing in the name of deceased member, as a member.

Registration of Persons Entitled to Share Otherwise than by Transfer

68. (a) Subject to the provisions of Article 74 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his 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 free from any liability in respect of such shares.
- (b) A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Claimant to be Entitled to Same Advantage

69. The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board shall thereafter withhold payment of all dividends, interests,

bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Persons Entitled may Receive Dividend without being Registered as Member

70. (a) A person entitled to a share by transmission shall, subject to the rights of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/debenture.
- (b) This Article shall not prejudice the provisions of Articles of 45 & 56.

Refusal to Register Nominee

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

Directors may require Evidence of Transmission

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

Fee on Transfer/Subdivision Consolidation of Shares and Debentures

73. (a) The Company shall not make any charge :
- (i) For registration of transfers of Shares and Debentures;
 - (ii) For sub-division and/or consolidation of Shares and/or Debenture Certificates and for sub-division of letter of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations corresponding to the market units of trading;
 - (iii) For sub-division of renounceable letters of Right;
 - (iv) For issue of new certificate in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilized.
 - (v) For registration of any Power of Attorney, Probate, Letters of Administration or similar other documents.
- (b) The Company shall not charge any fees exceeding those which may be agreed upon with the Stock Exchange :
- (i) For issue of new certificates in replacement of those that are torn, defaced, lost or destroyed.

- (ii) For sub-division and consolidation of Shares and Debentures Certificates and for sub-division of Letters of Allotment and Split, Consolidation, Renewal and Pucca Receipts into denominations other than those fixed for the market units of trading.

The Company not liable for Disregard of a Notice Prohibiting Registration of Transfer

74. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereon (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest in or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice 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 Directors shall so think fit.

Not more than Four Persons as Joint Holders

75. The Company shall be entitled to decline to register more than four persons as the holders of any shares.

The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debenture of the Company.

JOINT HOLDERS

Joint Holders

76. Where two or more persons are registered as the holders of any share/debenture, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.
- (a) In the case of a transfer of share/debenture held by joint holders, the transfer will be effective only if it is made by all the joint holders.
 - (b) The joint holder of any share/debenture shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share/debenture.
 - (c) On the death of any one or more of such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share/debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on share/debentures held by him jointly with any other person.

- (d) Any one of such joint holders a give effectual receipts of any dividends, interests or other moneys payable in respect of such share/debenture.
- (e) Only the person whose name stands first in the Register of Members/Debentures as one of the joint holders of any share/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) (a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.
- (f)
 - (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by Attorney or by proxy although the name of such joint-holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.
 - (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.

Borrowing Powers

- 77. (a) Subject to the provisions of Sections 58A, 292 and 293 of the Act and of these Articles and subject to any restriction imposed by Reserve Bank of India, Board of Directors, 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 accept deposits, raise loans or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided however where the moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such moneys without the sanction of the Company in General Meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be paid or effectual unless the tenderor proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

Term of Issue of Debenture

- (b) Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

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

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

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

Securities may be Assignable free from Equities

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

Power to issue shares at Discount

80. With the previous authority of Company in General Meeting and the sanction of the Company Law Board and upon otherwise complying with the provisions of Section 79 of the Act, it will be lawful for the Directors to issue at a discount, shares of a class already issued.

Debentures with voting rights not to be issued

81. (a) The Company shall not issue any debentures carrying voting rights at any meeting of the company whether generally or in respect of particular classes of business.
- (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
- (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.
- (d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 125 of the Act.
- (e) The term 'charge' shall include mortgage in these Articles.

- (f) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.

Limitation of Time for Issue of Certificate

82. The Company shall, within three months after the allotment of any of its debentures or debenture-stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and deliver the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture-stocks otherwise provide.

The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Right to Obtain Copies of and Inspect Trust Deed

83. (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the company at his request and within seven days of the making thereof on payment.
- (a) in case of a printed trust deed of the sum of Rupee one and
- (b) in the case of a Trust Deed which has not been printed of Thirty-seven paise for every one hundred words or fractional part thereof required to be copied.
- (ii) The Trust Deed referred to in item (I) above also be open to inspection by any member or debenture holder of the company in the same manner, to the same extent and on payment of the same fees, as if were the Register of members of the company.

Mortgage of Uncalled Capital

84. If any uncalled capital of the company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

Indemnity May be given

85. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the company, the Directors may execute or cause to be executed any mortgage charges or security over or affecting the whole or any part of the assets of the company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability .

Registration of charges

- 86 (a) The provisions of the Act relating to registration of charges shall be complied with.
- (b) In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.
- (c) Where a charge is created in India but comprises property outside India, the instrument, creation or purporting to create the charges under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 125 of the Act.
- (d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration
- (e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.
- (f) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders *pari passu*.
- (g) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures,
- (h) The provisions of Section 133 of the Act as to endorsement of Certificates of registration of debentures or Certificate of debenture stock shall be complied with by the Company.
- (i) The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.
- (j) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.
- (k) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creation charge at the registered office of the Company and comply with the provisions of Section 137 of the Act in regard to entering in this register of Charges any appointment of Receiver or Manager as therein provided.

- (l) The Company shall also comply with the provisions of Section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.
- (m) The Company shall keep at its registered office a Register of Charges and enter therein all charges specifically affecting any property of the Company giving in each case.
 - (i) a short description of the property charged;
 - (ii) the amount of the charge; and
 - (iii) except in the case of securities to bearer, the names of persons entitled to the charge.
- (n) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 144 of the Act.

Trust not Recognized

87. No notice of any trust, express or implied or constructive, shall be entered on the register of Debenture holders.

SHARE WARRANTS

Power to Issue Share Warrants

88. The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the person registered as holder of the shares 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 shares, and the amount of the stamp duty in the warrant and such fee as the board may; from time to time require, issue a share warrant.

Deposit of Share Warrants

89. (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 privilege of a Member at any meeting held after the expiry of two clear days from the time of deposits as if his name were inserted in the register of members.
- (b) Not more than one person shall be recognized as depositor of the Share Warrant.

- (c) The Company shall on two days written notice return the deposited share warrant to the depositor.

Privileges and Disabilities of the holders of the share warrant

90. (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 notice from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respect to the same privileges and advantages as if he were named in the Register of members as the holders of the share included in the warrant and he shall be member of the Company.

Issue of New Share Warrant or Coupon

91. The Board may, from time to time, make rules as 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.

CONVERSION OF SHARE INTO STOCK AND

RECONVERSION

Share may be converted into stock

92. The Company in general meeting may convert any paid up share into stock and when any share shall have been converted into stock the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulation as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near there to as circumstance will admit. The Company may at any time reconvert any stock in to paid up shares of any denomination.

Rights of Stock Holders

93. The holders of stock shall, according to the amount of stock, held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company and other matter, as if the held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and assets on winding up) shall be conferred by an amount of stock which would not if existing in share, have conferred that privilege or advantage.

GENERAL MEETINGS

Statutory Meeting

94. The statutory meeting of the company shall be held at such place and time (within a period of not less than one month nor more than six months from the date on

which the company is entitled to commence business) as the Directors may determine and the Directors shall comply with the provision of the Section 165 of the Act relating thereto.

Annual General Meeting

95. Subject the provisions contained in section 166 to 210 of the Act, as far as applicable, the Company shall in each year hold. In addition to any other meetings. A general meeting as its annual general meeting, and shall specify the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.

Time and Place of Annual General Meeting

96. Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated, and the notice calling the meeting shall specify it as the annual general meeting.

Sections 171 to 186 of the Act shall apply to Meeting

97. Section 171 to 186 of the Act with such adaptation and modifications, if any as may be prescribed shall apply with respect to meeting of any class of any class of members or debenture holders of the Company in like manner as the would with respect to general meetings of the Company.

Powers of Directors to call Extraordinary General Meeting

98. The Directors may call an extraordinary general meeting of the Company whenever they think fit.

Calling of Extra Ordinary General Meeting on Requisition

99. (a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extra-ordinary general meeting of the company.
- (b) The requisition shall set out the matters for the considerations of which the meeting is to be called, shall be signed by requisitionists, and shall be deposited at the registered office of the Company.
- (c) The Requisition may consists of several documents in like forms, each signed by one or more requisitionists.

- (d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.
- (e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
- (f) If the Board does not, within twenty one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called.
 - (i) by the requisitionists themselves;
 - (ii) by such of the requisitionists as represent either a majority in value of the paid up share capital by all of them or not less than one tenth of such of the paid up share capital of the Company as is referred to in clause (d) above whichever is less.

Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

- (g) A meeting, called under Clause (f) above by the requisitionists or any of them:
 - (i) shall be called in the same manner, as nearly as possible as that in which meeting are to be called by the Board; but
 - (ii) shall not be held after the expiration of three months from the date of the deposits of the requisition.

Explanation : Noting in Clause (g) (ii) above, shall be deemed to prevent a meeting only commenced before the expiry of the period of three months aforesaid from adjourning to some day after the expiry of the period.

- (h) Where two or more persons hold any shares or interest in the company jointly, requisition, or a notice calling a meeting signed by one or some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.
- (i) Any reasonable expenses incurred by the requisitionists by reasons of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained

by the Company out of any sums due or to become due from the Company by way of fee or other remuneration for their services to such of the Directors as were in default.

Length of notice for Calling Meeting

100. (a) A general meeting of the Company may be called by giving not less than twenty one days notice in writing.
- (b) A General Meeting of the company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto;
- (i) in the case of an annual general meeting by all the members entitled to vote thereto; and
- (ii) in the as of any other meeting, by members, by members, of the Company holding not less than 95 (ninety five) percent of such part of the paid up capital of the company as given a right to vote at the meetings;

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

Contents and Manner of service of Notice and Persons on whom it is to be served

101. (a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted there at.
- (b) Notice of every meeting of the Company shall be given :
- (i) to every member of the company, in any manner authorized (1) to (4) of section 53 of the Act;
- (ii) to the persons entitled to a share in consequence of a death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled ,or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;
- (iii) to the Auditor or Auditors for the time being of the being of the Company in any manner authorized by Section 53 of the Act in the case of any member or members of the Company and
- (iv) to all the Directors of the Company.

Provided that where the notice of a meeting is given by advertising the same in a neighbourhood of the Registered Office of the Company under Section (3) of Section 53 of the Act, the statement of the material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

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

Explanatory Statement to the Annexed to Notice

102. (A) For the purpose of this Article :

- (i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to_
 - (a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.
 - (b) the declaration of a dividend.
 - (c) the appointment of director in the place of those retiring, and
 - (d) the appointment of the fixing if the remuneration of the auditors, and
- (ii) in the case of any other meetings, all business shall be deemed special.

- (B) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern of interest, if any, therein of every Director, and the manager, if any.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the company relates to, or affects, other Company, the extent of shareholding interest in that other Company of any such person shall be set out in circumstances specified in the provision to sub-section 173 of the Act.

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

Quorum for Meeting

103. (a) Five members personally present shall be the quorum for a General Meeting of the Company.

- (b) (i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved.
- (ii) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place, as the Board may determine.
- (c) No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.

Adjourned Meeting to Transact Business

- 104. (a) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.
- (b) Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Chairman of General Meeting

- 105. (a) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.
- (b) (i) The Chairman of the Board of Director shall be entitled to take the Chair at every general meeting, if there be no Chairman or if at any meeting he shall not be present within 15(fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, subject to Article 182, the Directors present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall choose one of the Director to be the Chairman and if no Directors present be willing to take the Chair, the members present shall choose one of themselves to be the Chairman.
- (ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice-Chairman of the Board or by a Director at the expiration of 15 minutes from the time appointed for holding the meeting or if before the expiration of the time all the Directors shall decline to take the Chair, the member present shall choose one of their members to be the Chairman of the meeting.

Chairman with Consent may adjourn the Meeting

- 106. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situated.

Business at the Adjourned Meeting

107. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Notice of Adjourned Meeting

108. When a meeting is adjourned only for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting.

In What Cases Poll taken With or Without Adjournment

109. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

PROXIES

Proxies

110. (a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead and vote instead of himself. A member (and in case of joint holder, all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.

Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.

- (b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.
- (c) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty eight) hours before the meeting in order that the appointment may be effective thereat.
- (d) The instrument appointing a proxy shall:
- (i) be in writing, and
 - (ii) be signed by a appointer or his attorney duly authorized in writing or, if the appointer is a body corporate, by under its seal or be signed by an officer or any attorney duly authorized by it.
- (e) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form or in such other form as the Directors may approve from time to time.
- (f) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails

to comply with any special requirements specified for such instrument by these Articles.

- (g) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) day's notice in writing of the intention so to inspect is given to the Company.

VOTES OF MEMBERS

Restrictions on Exercise of Rights of Members who have not paid Call etc.

- 111. (a) No members shall exercise any voting right in respect of any shares registered in his name on any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.
- (b) Where the shares of the company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187B of the Act.

Restriction on Exercise of Voting Right in Other cases to be void

- 112. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 108.

Equal Right of share Holders

- 113. Any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Voting to be by show of Hands in First Instance

- 114. At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.
 - (a) Subject to the provisions of the Act, upon show of hands every members entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have on vote, for every share held by him.
 - (b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorized under Sections 187 or 187 A of the Act, in which case such proxy or representative may vote on show of hands as if he were a member of the Company.

Voting rights of members of unsound mind and minors

115. 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 hands or on a poll by his committee or other legal guardian and any such committee or guardian may, on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians or, any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

Votes in respect of shares of deceased or Insolvent Members etc.

116. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote, he shall satisfy the Directors of his right to such shares unless the Director shall have previously admitted his right to vote at such meeting in respect thereof.

Custody of Instrument

117. If any such instrument of appointment be confirmed to the object of appointing proxy or substitute for voting at meeting of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

Validity of Votes given by Proxy Notwithstanding Death of Members etc.

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

Time for Objections for Vote

119. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose or such meeting or poll whatsoever.

Chairman of any Meeting to be the Judge of any Vote

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 tendered at such poll.

Chairman's Declaration of result of Voting by show of Hands to be Conclusive

121. A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the

fact, without proof of the number or proportion of the votes cast in favour of or against such resolution

Demand for Poll

122. (a) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on demand made in that behalf by any member or members present or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than Fifty Thousand Rupees has been paid up.
- (b) The demand for poll may be withdrawn at any time by the person or persons who make the demand.

Demand for poll not to prevent Transaction of other Business

123. 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.

Time of Taking Poll

124. (a) A Poll demanded on a question of adjournment shall be taken forthwith.
- (b) A poll demanded on any other question (not being question relating to the election of Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

Right of a member to use his Votes Differently

125. On a poll taken at a meeting of the Company a member 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.

Scrutineers at Poll

126. (a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.
- (b) The Chairman shall have the power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (c) Of the two scrutineers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

Manner of taking Poll and Result thereof

127. (a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
- (b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Casting Vote

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

Representation of Body Corporate

129. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorize such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the company or at any meeting of creditors of the Company.

Representation of the President of India or Governors

129. (a) The President of India or the Governor of State if he is member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of member of the Company in accordance with provisions of Section 187 A of the Act or any other statutory provision governing the same.
- (b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.
- (c) The Company shall observe the provisions of Section 187-b of the Act, in regards to the Public Trustee.

Circulation of Members Resolution

131. The Company shall comply with provisions of Section 188 of the Act, relating to circulation of members resolutions.

Special Notice

132. Where by any provision contained in the Act or in these articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof wither by advertisement in newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting

Resolution Requiring Special Notice

133. The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.

Resolutions Passed At Adjourned meeting

134. The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or if the holders of any class of shares in the Company and of the Board of Directors of the Company and the Resolutions shall

be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of Resolutions and Agreements

135. The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.

Minutes of Proceedings of General Meeting and of Board and Other Meetings

136. (a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting if its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:
- (i) In the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (ii) In the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the even of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.
- (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 appointments of officers made at any of the meetings aforesaid shall be included in the minutes shall also contain:
- (f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
- (i) The name of Directors present in the meetings, and
- (ii) In the case of each resolution passed at the meeting, the name of the Directors, if any, dissenting from or not concurring in the resolution.
- (g) Nothing contained in Clause (a) to (d) hereof 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-inclusions of any matter in the minutes on the grounds specified in this clause.

- (h) The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

Presumptions to be Drawn where Minutes duly drawn and Signed

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

Inspection of Minute Books of General Meetings

- 138. (a) The books containing the minutes of the proceedings of any general meeting of the Company shall:
 - (i) Be kept at the registered office of the Company, and
 - (ii) Be opened during business hours to the inspection of any member without charge, subject to such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.
- (b) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company, with a copy if any minutes referred to in clause (a) above, on payment of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.

Publication of Reports of Proceedings of General Meetings

- 139. No documents purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

MANAGERIAL PERSONNEL

Managerial Personnel

- 140. The Company shall duly observe the provisions of Section 197 A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

Number of Directors

- 141. Until otherwise determined by the Company in general meeting, the number of Directors shall not be less than three and more than twelve. The appointment of the Directors exceeding 12 will be subject to the provisions of Sections 259 of the Act.

First Directors

142. The existing directors of the Company are:

1. **Mr. Ajay Maloo**
2. **Mr. Sanjay Maloo**
3. Mrs. Shalini Maloo

Debenture Directors

143. Any Trust deed for securing debentures or debenture-stocks may, if so arranged, provided for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person or persons to be a Director or Directors of Company any may empower such Trustees or holders of Debentures or debenture-stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Nominee Director

144. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India(IDBI), The Industrial Credit and Investment Corporation of India Limited (ICICI), Industrial Finance Corporation Of India(IFCI), and Life Insurance Corporation of India(LIC) or to any other Financial Corporation of Credit Corporation or to any other Financial Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI), or any other Financial Corporation or Credit Corporation or nay other Financial Company or Body (each of which IDBI, ICICI, LIC, and UIT or any other Financial Corporation or any other Financial Company or Body is hereinafter in this Article referred to as “the corporation”) continue to hold debentures in the Company as a result of underwriting or by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as Director or Directors wholetime or non-wholetime (which Director or Directors is/are herein after referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Directors/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable

to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remains owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of a director subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/ shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

The Nominee Director/s so appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is /are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notice and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Director/s in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fee in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as wholetime Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to wholetime Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission, and monies as may be approved by the Lenders.

Special Director

145. (a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorize such Company, Corporation, Firm or person (hereafter in this clause referred to as "Collaborator") to appoint from time to time, any person or persons as Director or Directors of the Company (hereinafter referred to as "special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify

him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such Collaborator under the collaboration arrangements pr any time thereafter.

- (b) The Collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of he person so appointed at any time, appoint any other person as a special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.
- (c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as a Director(s) and so that if more than one Collaborator is so entitled there may at any time be as many Special Directors as the Collaborators eligible to make the appointment.

Limit on Number of Non-Retiring Directors

- 146. Subject to the provisions of Section 255 of the Act, the number of Directors appointed under Articles 143, 144 and 145 shall not exceed in the aggregate one-third of the total number of Directors of the time being in office.

Appointment of Alternate Director

- 147. The Director may appoint an alternate Director to act for a Director (hereinafter called “the original Director”) during his absence for a period of not less than three months from the State in which meeting of the Board are ordinarily held. An alternative Director so appointed shall not hold office as such for a period longer than that permissible to the original Director in whose place he had been appointed and shall vacate if and when the original Director returns to the State in which meeting of the Board are ordinarily held.

Appointment of Additional Director

- 148. Subject to provision of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed by the Articles. Any Director so appointed shall hold the office only up to the next annual general meeting of the Company and shall then be eligible for reappointment.

Appointment of Director to fill the Casual Vacancy

- 149. Subject to the provisions of Section 262 of the Act, the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the nominal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Individual Resolution for Directors Appointment

150. At a general meeting of the company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automotive re-appointment or retiring director by virtue of these articles and the Act in default of another appointment shall apply.

Qualification of Director

151. A Director need not hold nay shares in the Company to qualify him for the office of a Director of the Company.

Remuneration of Directors

152. The remuneration of a Director for his service shall be such sum as may be fixed by the Board of Director subject to a ceiling as may be prescribed by the Central Government from time to time for each meeting of the Board of a Committee thereof attended by him. The Directors subject to the sanction of the Central Government (if any required) may be paid, such further remuneration as the Company in General Meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such Directors in such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.

Subject to the provision of the Act, a Director who is either in the whole time employment of the Company or a managing Director may be paid remuneration as provided in Sections 198,309,310 and 311 of the Act and Schedule XIII of the Act either by way of monthly payment or at a specified percentage of the net profit of the Company or partly by one way and partly by the other.

Subject to the provisions of the Act, a Director who is neither in the whole time employment of the Company nor a Managing Director may be paid remuneration as provide in Sections 198,309,310 and 311 of the Act and Schedule XIII of the Act either:

- (i) By way of a monthly, quarterly or annual payment with the approval of the Central Government , or
- (ii) By way of commission if the Company by special resolution authorized such payment.

A Director may receive remuneration by way of a fee each meeting of ht Board or a committee thereof attended by him as prescribed by Central Government.

Extra Remuneration to Directors for special Work

153. Subject to the provisions of Section 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Director of in relation to signing Share Certificate) or to make special exertions in going or residing out of his usual place of residence of otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the directors and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

Travelling expenses incurred by Directors on Company's business

154. The Board of Directors may, subject to the limitations provided by the Act, allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence for the purpose of attending a meeting such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fees for attending such meeting as above specified.

Increase in Remuneration of Directors to require Government Sanction

155. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether and that provisions are contained in the articles or in any agreement entered into by the Company or in any resolutions passed by the Company in General Meeting or by the Board of Directors shall be subject to the provisions of Section 198, 269, 310 and 311 of the Act, and in accordance with the conditions specified in paragraphs I and II of Schedule XIII and subject to the provisions of Part III of that Schedule and to the extent to which such appointment or any provision for remuneration thereof is not in accordance with the Schedule XIII, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

Director Not to Act when Number Falls Below Minimum

156. When the number of Directors in office falls below the minimum fixed above, the Directors, shall not act except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.

Eligibility

157. A person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.

Directors Vacating Office

158. (a) The office of a Director shall vacate if:
- (i) He is found to be of unsound mind by a Court of competent jurisdiction;
 - (ii) He applied to be adjudicated an insolvent;
 - (iii) He was adjudicated an insolvent;
 - (iv) He is convicted by Court, of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;

- (v) He fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure.
 - (vi) He absents himself from three consecutive meeting of the Board of Directors, or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
 - (vii) He, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a Director, accept a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act.
 - (viii) He acts in contravention of Section 299 of the Act;
 - (ix) He becomes disqualified by an order of court under Section 203 of the Act;
 - (x) He is removed in pursuance of Section 284 of the Act;
 - (xi) 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.
 - (xii) He resigns his office by notice in writing given to the company.
- (b) Notwithstanding anything in sub-clauses (iii), (IV) and (v) of Clause (a) above, the disqualifications referred to in these sub-clauses shall not take effect:
- (i) for thirty days from the date of the adjudication, sentence or orders;
 - (ii) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until disposed the expiry of seven days from the date on which such appeal or petition is off, or
 - (iii) Where within the seven days aforesaid, any further appeal, or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal petition is disposed off.

Removal of Directors

159. (a) Company may (subject to the provisions of Section 284 and other application provisions of the Act and these Articles) remove any director

other than ex-officio directors or special directors or debenture directors or a nominee director or a director appointed by the Central Government in pursuance of Section 408 of the Act, before the expiry of his period of office.

- (b) Special notice as provided by Section 190 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the company) shall be entitled to be heard on the resolution at the meeting.
- (d) whether notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the company (not exceeding a reasonable length) and requests their notification to members of the company, the company shall unless the representations are received by it too late for it do so.
 - (I) in the notice of the resolution given to members of the company state the fact of representations having been made, and
 - (ii) send a copy of the representation to every members of the company whom notice of the meeting is sent (whether before or after receipt of the representations by the company), and if a copy of representations, is not sent as aforesaid because they were received too late or because of the company's default, the Director may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting, provided that copies of the representations need not be sent or read out at meeting if so directed by the Court.
- (e) A vacancy created by the removal of a Director under this Article may, if he has been appointed by the Company in general meeting or by the Board in pursuance of Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
- (f) If the vacancy is not filled under clause (e) above it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of Section 262 of the Act, and all the provisions of that Section shall apply accordingly:

Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(g) Nothing contained in this Article shall be taken:

(i) as depriving a person removed there under of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as director; or

(ii) as derogating from any power to remove a Director which may exist apart from this Article.

Directors may Contract With Company

160. subject to the restrictions imposed by these Article and by Sections 292,293,294,295,297,300,311,370, and 373 and any other provisions of the Act, no Director, Managing Director, or other office or employee of the Company shall be disqualified from holding his office by contracting with the company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the company in which any Director, Managing Director, joint Managing Director, Executive Director other officer or employee shall be in any way interested, be avoided, nor shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the company for any profit realized by any such contract or arrangement by reason only of such Director, officer or employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provision of section 299 of the Act where that section be applicable.

Disclosure of Director's Interest

161. (1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the company, shall disclose the nature of his concern of interest at a meeting of the Board of Directors, in the manner provided in Section 299 (2) of the Act.

- (2) (a) In the case of proposed contract or arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he be so concerned or interested.
- (b) in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

- (3) (a) for the purpose of clauses (1) and (2) a general notice given to the Board by a Director to the effect that he is a Director or a member of specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notices, entered into with body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
- (b) Any such general notice, shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in the last month of financial year in which it would otherwise expire.
- (c) No such general notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the company and any other company where any one or two or more of Directors together holds or hold not more than two percent of the paid up share capital in other company.

Board Resolution necessary for Certain Contracts

- 162.** 1) Except with the consent of the Board of Director of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member of director, shall not enter into any contract with the Company-
- (a) For the sale, purchase or supply of any goods, materials or services; or
 - (b) For underwriting the subscription of any share in or debentures of the Company,
- (2) Nothing contained in sub-clause (a) of clause (1) shall affect-
- (a) the purchase of goods and materials from the Company or the sale of goods and materials of the any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
- (3) Notwithstanding anything contained in clauses (1) and (2) a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase of any goods, materials or services even if the value of such goods or cost of such service exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a

case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into.

- (4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
- (5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be avoidable at the option of the Board.

Disclosures to the Members of Directors' Interest in Contract in Appointing Manager Managing Director or Secretaries and Treasurers

163. If the Company –

- (a) enters into a contract for the appointment of a Manager or Managing Director of the company in which contract any Director of the Company is in any way directly or indirectly concerned or interested; or
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.

Holding of office of Profit by Directors etc.

164. (1) except with the consent of the Company accorded by a special resolution:

- (a) No Director of the Company shall hold any office or place of profit; and
- (b) No partner or relative of such a Director, no firm in which such a Director or relative of such Director is partner, no private company of which such a Director is a Director or member, and no Director or Manager of such a private company shall hold any office or place of profit, carrying a total monthly remuneration of such sum as may be prescribed, except that of Managing director or Manager, banker or trustee for the holders of debentures of the Company;
 - (i) under the Company; or
 - (ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the company or its holding Company PROVIDED that it shall be sufficient if the special resolution according consent of the Company is passed at the general meeting of the company held for the first time after the holding of such office or place of profit;

For the purpose of this clause a special resolution according consent shall be necessary for every appointment in the first instance to an office or place or profit and to every subsequent appointment in the first instance to an office or place of profit on a higher remuneration not covered by the special resolution except where an appointment on a time scale has already been approved by the special resolution;

- (2) Nothing in Clause (1) hereof shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes a Director of the Company.
- (3) If any officer or place of profit is held in contravention of the provisions of sub-clause (1), above or except as provided by clause (2) above, the Director, partner, relative, firm, private company or manager concerned shall be deemed to have vacated his or its office as such on and from the date next following the date of the general meeting of the Company referred to in the first proviso to clause (1) above or, as the case may be, the date of expiry of the period of three months referred to in the Second proviso to clause (1) above, and shall also be liable to refund to the Company remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.
- (4) Every individual, firm, private company, or other body corporate proposed to be appointed to any office or place of profit to which this article applies shall, before or at the time of such appointment, declare in writing whether he or it is or is not connected with the Director of the Company in any of the ways referred to in clause (1)
- (5) Any office of place shall be deemed to be an office or place of profit under the Company within the meaning of clause (1)
 - (a) in case the office or place is held by a Director, if the Director holding it obtains from the company anything by way of remuneration over and above the remuneration to which he is entitled as such Director whether as salary, fees, commission, perquisites, the right to occupy fees of rent any premises as a place of residence or otherwise;
 - (b) In case the office or place is held by an individual other than Director or by any firm, private company or other body corporate if the individual firm, private company or body corporate holding it obtains from the Company anything by way of remuneration whether as salary, fees, commission, perquisites, the right to occupy fees of rent premises as a place of residence or otherwise.
- (6) Notwithstanding anything contained in sub-clause (1)-
 - (a) No partner or relative if Director or Manager;
 - (b) No firm in which such Director or Manager or relative f either is a partner;

- (c) No Private Company of which such a Director or manager or relative of either is a Director or member; shall hold any office or place of profit in the Company which carries a total monthly remuneration of not less than such sum as may be proscribed except with the prior consent of the Company by Special Resolution and the approval of the Central Government.

Loans to Director etc.

165. The Company shall not without obtaining the previous approval of the Central Government in that behalf, directly or indirectly make any loan to or give any guarantee or provide any security in connection with loan made by any other person to, or any other person by-

- (a) Any Director of the Company or any partner or relative of any such Director;
- (b) Any firm in which any such Director or relative is a partner;
- (c) Any private company of which any such Director is a Director or member;
- (d) Any body corporate at a general meeting of which not less than twenty-five per cent of the total voting power may be exercised or controlled by any such Director, or by two or more such Directors together; or
- (e) Any body corporate, the board of Directors, Managing Director or Manager whereof, is accustomed to act in accordance with the directions or instruction of the Board, or of any director or Directors of the Company.

Loans to companies

166. The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the Companies or bodies corporate under the same management as provided in Section 370 of the Act.

Interested Director not to Participate or Vote in Board's Proceedings

167. No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote it shall be vote; PROVIDED that the Board of Directors or any of its number may vote on any contract of indemnity against any loss which it or any one of or more of its number may suffer by reason of becoming or being sureties or surety for the company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with a public company or a private

Company which is a subsidiary of a public Company in which the interest of the Director aforesaid consists solely-

- (i) In his being a Director of such Company and the holder of not more than shares of such number or value therein as is requisite to qualify him for the appointment as a Director thereof, he having been nominated as such Director by the Company.
- (ii) In his being a member holding not more than two per cent of its paid up share capital.

This Article is subject to the provisions of sub-section (2) of Section 300 of the Act.

Register of Contracts in which Directors are Interested

168. (i) The Company shall keep one or more Registers in which it shall be entered separately particulars of all contracts and arrangements to which Section 297 and 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely:
- (a) the date of the contract or arrangement;
 - (b) the names of the parties thereof;
 - (c) the principal terms and conditions thereof;
 - (d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies the date on which it was placed before the Board;
 - (e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.
- (ii) Particulars of every such contract or arrangement to which Section 297 of the Act or as the case may be sub-section (2) of Section 299 applies shall be entered in the relevant register aforesaid-
- (a) in the case of a contract or arrangement requiring the Board's approval within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved;
 - (b) in the case of any other contract or arrangement within seven days of the receipt at the Registered Office of the Company of the particulars of such other contract or arrangement or within thirty days to the date of such other contract or arrangement whichever is later, and the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.

- (c) the register shall be kept at the registered office of the Company, and it shall be open to inspection at such office, and extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.
- (iii) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.
- (iv) Nothing in clauses (I), (ii) and (iii) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of such services does not exceed rupees one thousand in the aggregate in any year.

ROTATION AND APPOINTMENT OF DIRECTORS

Director may be Director of Companies Promoted by the Company

169. A director may be or become a Director of any Company or in which it may be interested as a vender, 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 Section 309(6) or Section 314 of the Act may be applicable.

Not less than two thirds of the total number of Directors shall:

- (a) be persons whose period of office is liable to determination by retirement of directors by rotation, and
- (b) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the company, also be appointed by the Company, in general meeting.

Ascertainment of Directors Retiring by Rotation and Filling up Vacancy

170. (a) At every annual general meeting one-third of such directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearer to one-third, shall retire from office.

The debenture Directors, Corporation Directors, Special Director, and subject to Article 146 Chairman, Managing Director or whole time Director if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to

retire by rotation. In these Articles a “Retiring Director” means a Director retiring by rotation.

- (b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot. A Retiring Directors shall be eligible for re-election.
- (c) At the annual general meeting at which a director retires as aforesaid, the company may fill up the vacancy by appointing the retiring Director or some other person thereto.
- (d)
 - (i) if the place of the retiring director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
 - (ii) if at the adjourned meeting also, the place of the retiring Director is not filled up and that the meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless-
 - (1) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
 - (2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Director, expressed his unwillingness to be so re-appointed;
 - (3) he is nor qualified or is disqualified for appointment;
 - (4) a resolution, whether special or ordinary, is required for his appointment or re- appointment in virtue of any provisions of the Act; or
- (e) The proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

Right of Person Other than Retiring Directors to Stand for Directorship

171. (a) A Person who in not a retiring Director shall in accordance with Section 257 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member or members intending to propose him has, not less than fourteen days before the meeting left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of director or the intention of such member or

members to propose him as a candidate for that office, as the case may be along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time, which shall be refunded to such person or as the case may be to such member, if the person succeeds in getting elected as the director.

- (b) The Company shall inform its members of the candidature of a person for the office of director or the intention of a member(s) to propose a person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting in the manner provided under Section 257 of the Act.

Consent of Candidates for Directorship to be filed with the Registrar

172. Every person who is proposed as a candidate for the office of Director of the Company shall sign and file with the Company and with the Register, his consent in writing to act as a Director, if appointed, in accordance with the provisions of Section 264 of the Act in so far as they may be applicable.

Company may Increase or Reduce the Number of Directors or Remove any Director

173. Subject to the provisions of Sections 252, 255 and 259 of the Act, and these Articles the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.

Appointment of Directors to be Voted Individually

174. (1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Director of the Company by a single resolution unless a resolution that it shall be so made, has been first agreed to by the meeting without any vote being given against it.
- (2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided that for the automatic re-appointment of retiring Director in default of another appointment as hereinbefore provided shall apply.
- (3) for the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

Notice of Candidature for Office of Directors except in certain Cases

175. (1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless he or some other members intending to propose him has, at least 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 a Director or the intention of such members to propose him as a Director for office as the case may be along with a deposit of five hundred Rupees

which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

- (2) The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notice on the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.
- (3) 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 257 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 his consent in writing to act as a Director if appointed.
- (4) A person, other than –
 - (a) a Director, re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
 - (b) an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional or alternate Director immediately on the expiry of his term 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.

Register of Directors and Notification of Change to Registrar

176. (1) The Company shall keep at its Registered Office a Register containing the particulars of its directors and other persons mentioned in Section 303 of the Act and shall send to the Registrar a Return containing the particulars specified in such Register and shall otherwise comply with the provisions of the said Section in all respects.
- (2) The Company shall keep at its Registered Office a Register showing as respects each Director of the Company the number, description, and amount of any shares in or debentures of the company or any other body corporate being the company's subsidiary or holding company or a subsidiary of the company's holding company which are held by him or in trust for him or of which he has any right to become the holder whether on payment or not, as required by Section 307 of the Act. Such Register shall be kept open for inspection by any member or debentureholder of the company as required by section 307 (5) of the Act.

Disclosure by Director of Appointment to any other Body Corporate

177. Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to Sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company who is appointed to or relinquishes office of Director, Managing Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be, relinquishment of such office disclose to the company the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

Disclosure by Directors of their Holdings of Shares and Debentures of the Company

178. Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

PROCEEDINGS OF DIRECTORS

Meeting of Directors

179. The Directors may meet together as a Board for transaction of business from time to time and shall so meet at least once in every three months and at least four such meeting shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meeting of the Board, which had been called in compliance with the terms herein mentioned could not be held for want of quorum.

When Meeting to be Convened

180. Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

Directors entitled to Notice

181. Notice of every meeting of the Board of the Company shall be given in writing to every Director for the time being in India and at his usual address in India. Notice may be given by telegram/cable/telex to any Director who is not in the State of Gujarat.

Appointment of Chairman

182. The Directors may from time to time elect from among themselves a chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the chairman is not present within fifteen minutes after the time appointed for holding the same the Directors present may choose one of their members to be chairman of the meeting.

Quorum at Board Meeting

183. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength excluding Directors if any; whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two Directors, whichever is higher PROVIDED THAT WHERE AT ANY TIME THE NUMBER OF INTERESTED Directors exceeds or is equal to two-thirds of the total strength of the number of remaining Director that is to say, the number of Directors who are not interested present at the meeting being not less than two, shall be the quorum during such time.

Appointment of Managing Director/whole-time Director

184. (a) Subject to the provisions of Sections 267, 268, 269, 309, 310, 311, 316, 317 and other applicable provisions, if any, of the Act and these Articles the Board of Directors may from time to time appoint one or more Director or Directors to be Managing Director/s or Whole time Director/s of the Company for a fixed term not exceeding five years at a time or for such period as may be prescribed by the Act or the Central Government from time to time upon such terms and conditions as the Board thinks fit for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from the office and appoint another or others in his or their place or places.
- (b) Any Managing Director o/s or whole time Director/s so appointed shall not be required to hold any qualification shares and shall not be liable to retime by rotation at any General Meeting of the Company.
- (c) Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act and also subject to the limitations, conditions and provisions of Schedule XIII to the Act, the appointment and payment of remuneration to the above Director/s shall be subject to approval of the members in general meeting and of the Central Government if required.
- (d) Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be vested with the Managing Director/s or Whole-time Director/s Managing Directoror/s if any, with Power to the Board to distribute such day to day management functions in any manner as deemed fit by the Board subject to the provisions of the Act and these Articles.

Meeting of Committee, How to be Governed

185. The meetings 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 of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors.

Resolution by Circular

186. No Resolution by circular shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless such 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 the respective addresses registered with the Company and has been approved by the majority of the Directors or Members

of the Committee or by a majority of such of them as are entitled to vote on the Resolution.

Directors May Appoint Committees

187. Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of two or more members of its body as it thinks fit. The Chairman shall have a casting vote at committee meetings and the Board may from time to time, revoke and discharge 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 conformity with such regulations and in fulfillment of the purposes of its appointment but not otherwise, shall have the like force and effect as if done by the Board.

Limit of Directors Numbers

188. Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in this behalf by the Articles.

Acts of Board or Committee valid Notwithstanding Defect of Appointment

189. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall notwithstanding that if shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.

BORROWING POWERS

Power to borrow

190. Subject to the provisions of Sections 292 and 293 of the Act the Board of Directors may from time to time at their discretion and by means of resolutions passed at their meetings accept deposits from members either in advanced of calls or otherwise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Conditions on which money may be borrowed

191. The Directors may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, in particular, by the issue of bonds, perpetual or redeemable debentures or debenture stock, or any mortgage charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being. The Directors shall exercise such power only by means of resolutions passed at their meetings and not by circular resolutions.

Securities may be assignable free from equities

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

Debentures

193. Debentures, debenture-stock bonds or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any special privileges as to redemption, surrender, drawings, allotments of shares, attending (but not voting) at General Meetings of the Company appointment of Directors and otherwise. Provided however that Debentures/Bonds with the right to allotment or conversion into Shares shall not be issued without the sanction of the Company in General Meeting and/or the Government as the case may be.

Mortgage of uncalled capital

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

POWER OF DIRECTORS

Certain Powers to be Exercised by the Board

195. (a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board –
- (i) The power to make calls on shareholders in respect of money unpaid on their shares;
 - (ii) The power to issue debenture;
 - (iii) The power to borrow moneys otherwise than on debentures;
 - (iv) The power to invest the funds of the Company, and
 - (v) The power to make loans.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (iii), (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such conditions as the Board may prescribe.

- (b) Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.
- (c) Every resolution delegating the power referred to in sub-clause (iv) of clause (a) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- (d) Every resolution delegating the power referred to in sub-clause (v) of clause (a) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount upto which loans may be made for each such purpose in individual case.
- (e) Nothing in this article contained shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in sub-clauses (i), (ii), (iii), (iv) and (v) of clause (a) above.

Restriction on Powers of Board

196. (a) The Board of Directors of the Company shall not except with the consent of the Company in general meeting :
- (i) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
 - (ii) remit, or give time for the repayment of any debt, due by a Director;
 - (iii) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (i) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
 - (iv) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes ; or
 - (v) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amount, the aggregate of which in any financial year, exceed fifty thousand rupees or give percent of its average net profits as determined in accordance with

the provisions of Section 349 and 350 of the Act during the three financial years, immediately preceding, whichever is greater.

- (b) Nothing contained in sub-clause (i) clause (a) above shall affect :
 - (i) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
 - (ii) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
- (c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) above, may attach such conditions to the permission as may as specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorize the company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
- (d) No debt incurred by the Company in exercise of the limit imposed by sub-clause (iv) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.
- (e) Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in sub-section (1) of Section 293 of the Act and in regard to the limitations on the power of the Company contained in Section 293 A of the Act.

General Powers of the Company Vested in Directors

197. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorized to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other act and of the Memorandum of Association and these articles and to any regulations, not being inconsistent with the Memorandum of Association and these articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Specific Powers Given to Directors

198. Without prejudice to the general powers conferred by Article 192 and the other powers conferred by these presents and so as not in any way to limit any or all of these powers, it is hereby expressly declared that the Directors shall have the following powers :

To Pay Registration Expenses

- (i) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation establishment and registration of the Company.
- (ii) To pay and charge to the capital account of the Company any interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act;

To Acquire Property

- (iii) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this company is authorized to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.

To Purchase Lands, Buildings, Etc.

- (iv) Subject to the provisions of the Act to purchase, or take on lease for any terms or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

To Construct Buildings

- (v) To effect, construct, enlarge, improve, alter, maintain, pull down rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company.

To Mortgage, Change Property

- (vi) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

To Pay for Property Etc.

- (vii) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture-stock or other securities of the Company, and any such shares stock of other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

To Insure

- (viii) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;

To Open Accounts

- (ix) Subject to Section 292 of the Act, to open accounts with any bank or bankers or with any Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;

To Secure Contracts

- (x) To secure the fulfillment of any contracts of engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;

To Attach to shares such Conditions

- (xi) To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;

To Accept, Surrender, of Shares

- (xii) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;

To Appoint Attorney

- (xiii) To appoint any person or persons (whether incorporated or not), to accept and hold in trust for the Company any property belonging to the Company or in which it is interested for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;

To Bring and Defend Actions

- (xiv) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;

To Refer to Arbitration

- (xv) To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;

To Act on Insolvency Matters

- (xvi) To act on behalf of the Company in all matters relating to bankrupts and Insolvents;

To Give Receipts

- (xvii) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act;

To Authorise Acceptances

- (xviii) To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend/ interest warrants, release, contracts and documents on the Company's behalf;

To Invest Moneys

- (xix) Subject to the provisions of Sections 292, 293, 370 and 372 of the Act, to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments;

To Provide For Personal Liabilities

- (xx) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

To Give to Directors Etc. An Interest in Business

- (xxi) Subject to such sanction as may be necessary under the Act or the articles, to give to any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.

To Provide for Welfare of Employees

- (xxii) To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

To Subscribe to Charitable and Other Funds

- (xxiii) To subscribe, or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other useful institutions, object or purposes for any exhibition;

To Maintain Pension Funds

- (xxiv) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratitudes, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such Subsidiary Company, or who are or were at any time Directors or Officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidise and subsidise and subscribe to any institutions, associations, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid.
- (xxv) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

To Create Reserve Fund

- (xxvi) Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to depreciation Fund or reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Section 292 and 293 and other provisions of the Act) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption of redeemable preference shares, debentures or debenture-stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with

power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

To Appoint Officers Etc.

- (xxvii) The Board shall have specific power to appoint officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants provided that the appointment of a person on a post carrying a salary of Rs.6,000/- per month or above or on a pay scale the maximum of which is Rs.6,000/- per month or above shall be made only by means of resolution passed at a Board Meeting.

To Authorise by Power of Attorney

- (xxviii) At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.

To Authorise, Delegate

- (xxix) Subject to the provisions of the Act, generally and from time to time and at any time to authorize empower or delegate to (with or without powers of sub-delegation) any Director, Officer or Officers or Employee for the time being of the Company and/or any other person, firm or Company all or any of the powers authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper.

To Negotiate

- (xxx) To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (xxxi) From time to time to make vary any legal bye-laws for the regulations of the business of the Company, its officers and servants.

Secretary

199. Subject to the provisions of Section 383 A of the Act, the Directors may, from time to time appoint and, at their discretion remove any individual (hereinafter called 'the Secretary') who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

Seal

200. (i) The Board of Directors shall provide a Common Seal for the purpose of the Company, 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 its safe custody for the time being under such regulations as the Board may prescribe.
- (ii) The Seal of the Company shall not be affixed to any instrument except by the authority of the Board of Directors or of a Committee of the Board of Directors authorized by it in that behalf and in the presence of at least one Director and the Secretary or a person authorized for the purpose if there is no Secretary for the time being.

Provided however that the certificates of shares shall be signed in the same manner as the certificates of the shares are required to be signed in conformity with the provisions of Companies (Issue of Share Certificates) Rules 1960 and their statutory modifications for the time being in force.

Interest may be Paid Out of Capital

201. Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work for or building, or the provisions 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 and at the rate and subject to the conditions and restrictions provided by section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, of the provisions of the plant.

Dividends Out of Profits Only

202. (i) No Dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a Guarantee given by the Government and except after the transfer to the reserves of the Company of such percentage out of the profits for that year not exceeding ten per cent as may be prescribed or voluntarily such higher percentage in accordance with the rules as may be made by the Central Government in that behalf.

PROVIDED HOWEVER whether owing to inadequacy or absence of profits in any year, the Company proposes to declare out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and whether any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the Central Government.

- (ii) The depreciation shall be provided either –
 - (a) to the extent specified in Section 350 of the Act; or
 - (b) in respect of each item of a depreciable asset, for such an amount as is arrived at by dividing 95 per cent of the original cost thereof to the company by the specified period in respect of such asset; or
 - (c) on any other basis approved by the Central Government which has the effect of writing off by way of depreciation 95 per cent of the original cost of the company of its such depreciable asset on the expiry of the specified period; or
 - (d) as regards any other depreciable assets for which no rate of depreciation has been laid down by the Act or any rules made thereunder on such basis as may be approved by the Central Government by any general order published in the Official Gazette or by any special order in the case of the Company.

Provided that where depreciation is provided for in the manner laid down in Clause (b) or Clause (c), then in the event of the depreciated assets being sold, discarded, demolished or destroyed, the written down value thereof at the end of the financial year in which the assets is sold, discarded demolished or destroyed shall be written off in accordance with the proviso to Section 350 of the Act.

- (iii) No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.
- (iv) Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.
- (v) For the purpose of this Articles ‘Specified period’ in respect of any depreciable asset shall mean the number of years at the end of which atleast 95 per cent of the original cost of that asset to the Company will have been provided for by way of depreciation, if depreciation were to be calculated in accordance with the provisions of Section 350 of the Act.

Interim Dividend

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

Debts May Be Deducted

204. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Capital Paid Up in Advance and Interest Not to Earn Dividend

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

Dividends in Proportion to Amount Paid-Up

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

Right to Dividend, Right Shares and Bonus Shares to be held in Abeyance Pending Registration of Transfer of Shares

207. Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the Company, it shall, notwithstanding any thing contained in any other provision of this Act, shall –
- (a) transfer the dividend in relation to such shares to the special account referred to in Section 305-A unless the company is authorized by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
 - (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of Section 205.

No Member to receive Dividend whilst Indebted to the Company and the Company's Right of Reimbursement Thereof

208. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.

Effect of transfer of Shares

209. A transfer of shares does not pass the right to any dividend declared thereon behalf the registration of the transfer.

Dividends How Remitted

210. The dividend payable in cash may be paid by cheque or warrant sent through post direct to the registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders which is first named on the register of members or to such person and to such address as the holder or the joint holder may in writing direct. 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 forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

Notice of Dividend

211. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.

Unpaid Dividend or Dividend Warrant Posted

212. (a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period or 42 days, open a special “**LYPSA GEMS & JEWELLERY LIMITED**” and transfer to the said Account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.
- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholder to whom the money is due.

213. No unclaimed dividend shall be forfeited by the Board.

Dividend and call together

214. Any General Meeting declaring as dividend may on the recommendations 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 hi, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and members be set off against the calls.

CAPITALISATION

Capitalisation

215. (a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General

Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalized. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital redemption Reserve Account) may be capitalized :

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

Provided that any amounts standing to the credit of the Share Premium Account may be applied in;

- (1) paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
 - (2) in writing off the preliminary expenses of the Company;
 - (3) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or
 - (4) in providing for the premium payable on the redemption of any redeemable preference share or of any debentures of the Company, provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.
- (b) Such issue and distribution under Sub-clause (a)(i) above and such payment to the credit of unpaid share capital sub-clause (a)(i) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a)(ii) above shall be made on the footing that such members become entitled thereto as capital.
 - (c) The Directors shall give effect to any such resolution and apply portion of the profits, General reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under sub-clause (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such member as aforesaid in full satisfaction of their interest in the said capitalized sum.

- (d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debenture, debenture-stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.
- (e) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalization may be effected by the distribution of further shares in respect of the fully paid shares, and in respect of the partly paid shares the sums so applied in the extinguishment or diminution of the liability on the partly paid shares shall be so applied prorate in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.
- (f) When deemed requisite a proper contract shall be filed with Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

Accounts

216. The provisions of Sections 209 to 222 of the Act shall be complied with in so far as the same be applicable to the Company.

Books of Accounts to be kept

217. (a) The Company shall keep at its Registered Office proper books of accounts as required by Section 209 of the Act with respect to :
- (i) all sums of money received and expected by the Company and the matters in respect of which the receipt and expenditure take place;
 - (ii) all sales and purchasers of goods by the Company; and
 - (iii) the assets and liabilities of the Company;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors so decide, 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.

- (b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transaction effected at that office shall be kept at that office and proper summarized returns made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.
- (c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be with respect to the matters aforesaid, and explain the transactions.
- (d) The books of account shall be open to inspection by any Director during business hours as provided by Section 209 of the Act.
- (e) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.

Inspection by Members

218. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorized by the Directors or by a resolution of the Company in general meeting.

Statement of Accounts to be furnished to General Meeting

219. The Board of Directors shall lay before each annual general meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date, which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

Balance Sheet and Profit and Loss Account

220. (a) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet a statement showing the bodies corporate (including separately the bodies corporate in the same group) in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.
- (b) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 212 and other applicable provisions of the Act.

- (c) if in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

Authentication of Balance Sheet and Profit and Loss Account

- 221. (a) (i) Save as provided by item (ii) this sub-clause every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if any.
- (ii) When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit and Loss Account shall be signed by such Director, but in such a case, there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non compliance with the provisions of the above item (i).
- (b) The Balance Sheet and the Profit and Loss Account, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon.

Profit and Loss Account to be Annexed and Auditors' Report to be attached to the Balance Sheet

- 222. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

Board's Report to be Attached to Balance Sheet

- 223. (a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs; the amounts if any which it proposes to carry to any reserves in such Balance Sheet, the amount, if any, which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report and the conservation energy, technology absorption, foreign exchange earnings and out-go in such manner as may be prescribed.
- (b) The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company or Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest.
- (c) The Board shall also give the fullest information and explanations in its Report or in cases falling under the proviso to Section 222 of the Act in an

addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.

- (d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clauses (a) and (b) of Article 209.
- (e) The Boards shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) (b) of this Article are complied with.
- (f) Every Balance Sheet and Profit and Loss Account of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

Right of Members to copies of Balance Sheet and Auditor's Report

224. A copy of every balance sheet including the profit and loss account and the auditor's report and every other document required by law to be annexed or attached, as the case may be, to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as may be permitted by Section 219 of the Act and as the Company may deem fit, will be sent to every member of the company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the date of the meeting as laid down in Section 219 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid

- (a) to a member or holder of the debentures of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the company is unaware;
- (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

Three Copies of Balance Sheet etc. to be filed with Registrar

225. After the Balance Sheet and Profit and Loss Account have been laid before the Company at the annual general meeting, three copies of the Balance Sheet and Profit and Loss Account duly signed as provided under Section 220 of the Act together with three copies of all documents which are required to be annexed thereto shall be filed with the Registrar, so far as the same be applicable to the Company.

AUDIT

Accounts to be audited

226. Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

Appointment of Auditors

227. (1) The Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 229 and 231 of the Act.
- (2) The Company shall at each annual general meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusions of the next annual general meeting and shall within seven days of appointment give intimation thereof to the Auditors so appointed unless he is retiring Auditor.
- (3) At any annual general meeting a Retiring Auditor, by whatever authority appointed shall be reappointed unless:
- (a) he is not qualified for re-appointment
 - (b) he has given the Company notice in writing of unwillingness to be re-appointed
 - (c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed or
 - (d) where notice has been given of an intended resolution to appoint some persons or person in the place of a retiring Auditor, and by reason of death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with
- (4) Where at annual general meeting no Auditors are appointed or reappointed the Central Government may appoint a person to fill the vacancy
- (5) The Company shall, within seven days of the Central Government's power under the sub-clause (4) becoming exercisable give notice of that fact to that Government.
- (6) The Directors may fill any casual vacancy in the office of the Auditor, but while Any such vacancy continue, the serving or continuing Auditor or auditors (if any) may act but where such vacancy is caused by resignation of an Auditor the vacancy shall only be filled by the Company in general meeting.
- (7) A person other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the company not less than fourteen days before the

meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof to the members in accordance with Section 225 of the Act. The provisions of this sub-clause shall also apply to resolution that retiring Auditor shall not be re-appointed.

Audit of Branch Office

228. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the account of branch offices of the Company, except to the extent to which any exemption may be granted by the Central Government, in that behalf.

Auditors to have access to the Books of the Company

- 229 .(a) The Auditor/s of the Company shall have access at all time to the books and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor/s.
- (b) All notice of, and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company; and the Auditors of the Company; and the Auditor/s shall be entitled to attend any general meeting and to be heard at any general meeting which he attends to any part of the business which concerns him as Auditor.
- (c) The Auditors shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account, and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid down before the Company in annual general meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of his information and according to the explanation given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view:
- (i) In the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year; and
- (ii) in the case of the Profit and Loss Account, of the Profit or Loss for its Financial year.
- (d) The Auditor's Report shall also state –
- (i) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
- (ii) Whether, in his opinion, proper books of accounts as required by law have been kept by the Company so far as appears from his examination of those books and proper returns adequate for the purpose of his audit have been received from branches not visited by him;
- (iii) Whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company's auditor has been forwarded to him as required by clause (c) sub-section (3) of the Section and how he has dealt with the same in preparing the Auditor's Report;

- (iv) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts and returns.
- (e) Whether any of the matters referred to in the Article is answered in the negative or with a qualification the Auditor's Report shall state the reasons for the answer.

Accounts When Audited and Approved to be Conclusive

230. Every account when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and thereceforth shall be conclusive.

Authentication of Documents and Proceedings

231. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director or an authorized officer of the Company and need not be under its Seal.

DOCUMENTS AND NOTICES

Service of Documents on Members By the Company

- 232 .(i) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address or if he has no registered address in India, to the address if any, within India, supplied by him to the Company for serving documents or notices to him.
- (ii) Where a document or notice is sent by post :
- (a) Service thereof shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the document or the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by registered Post with or without acknowledgements due and has deposited with the Company a sum of sufficient to defray the expenses of doing so, service of the documents or notice shall not be deemed to be affected unless it is sent in the manner intimated by the members ; and
 - (b) Such service shall be deemed to have been affected :
 - (i) in the case of a notice of meeting at the expiration of forty eight hours after the letter containing the same is posted; and
 - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
 - (iii) A document or notice advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.

- (iv) A document or notice may be served by the Company on the joint holders of a share by serving it to the joint holder named first in the Register in respect of the share.
- (v) A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter, addressed to them by name, or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled or until such an address has been so supplied, by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
- (vi) The signature to any document or notice to be given by the Company, may be written or printed or lithographed.

To Whom Documents must be Served or Given

233. Document of notice of every general meeting shall be served or given in the same manner herein before authorized 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 or auditors for the time being of the Company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company under Article 100, a statement of material facts, referred to in Article 101 need not be annexed to notice as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Members Bound by Documents or Notice Served on or Given to Previous Holders

234. Every person, who by operation of law, transfer or other means whatsoever, has become entitled to 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 duly served on or given to the person from whom he derived his title to such share.

Service of Documents on Company

235. A document may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by post under a certificate of posting or by Registered Post by leaving it at its Registered Office.

Service of Documents by Company on the Registrar of Companies

236. A document may be served on the Registrar of Companies by sending it to him at his office by post under a Certificate of posting or by Registered Post or by delivering it to or leaving it for him at his office.

REGISTERS AND DOCUMENTS

Register and Documents to be Maintained By the Company

237. The Company shall keep and maintain Registers, Books and documents as required by the Act or these Articles, including the following:

- (i) Register of Investment made by the Company but not held in its own name, as required by Section 49(7) of the Act and shall keep it open for inspection by any member or debenture holder of the Company without charge.
- (ii) Register of Mortgage and Charges as required by Section 143 of the Act and copies of instructions creating any charge requiring registration according to section 134 of the Act and shall keep open for inspection of any creditor or member of the Company without fee and for inspection by any person on payment of a fee of Rupee one for each inspection.
- (iii) Register and Index of Members as required by Section 150 and 151 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of Rupee One of each inspection.
- (iv) Register and Index of Debenture Holders under Section 152 of the Act and keep it open for inspection by any member or debenture holder without fee any by any other person on payment or Rupee on for each inspection.
- (v) Foreign Register if thought fit as required by Section 157 of the Act and it shall be open for inspection and may closed and extracts may be taken there from and copies thereof as may be required, in the manner mutatis mutandis, as is applicable to the Principal register.
- (v) Register of Contracts, and Companies and firms in which Directors are interested, as required, by Section 301 of the Act and shall keep it open for inspection of any member free of charge.
- (vi) Register of Directors, and secretary etc., as required by Section 303 of the Act and shall keep it open for inspection by any member of the Company without charge and of any other person on payment of a fee of Rupee One for each inspection.
- (vii) Register as to holdings by Directors of shares and/or debenture in the Company as required by Section 307 of the Act and shall keep it open for inspection by any member or debenture holder of the Company on any working day during the period beginning fourteen days before the date of the Company's Annual General Meeting and ending three days after the date of its conclusion.
- (viii) Register of Investment made by Company in shares and debentures of the bodies corporate as required by Section 372 of the Act.
- (ix) Books recording minutes of all proceedings of General Meeting, and of all proceedings at meeting of its Board of Directors or of Committees of the Board in accordance with the provisions of Section 193 of the Act.
- (x) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.

- (xi) Register of loans as required by Section 370 of the Act.

Inspection of Register

238. The Register mentioned in clauses (IX) and (XII) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of Register of Member of the Company, as provided for in clause (iii) of the said Article. Copies of entries in the Registers mentioned in the foregoing Articles shall be furnished to the persons entitled to the same on payment of thirty-seven Paise for every hundred words or fractional part thereof required to be copied. The Company shall give inspection of the above Registers to the persons entitled to the same on payment of thirty-seven Paise for every hundred words or fractional part thereof required to be copied. The Company shall give inspection of the above Registers to the persons entitled to the same on such days and during such business hours as may consistently with the provisions of the Act in that behalf be determined by the Company in General Meeting.

WINDING UP

Distribution of Assets

239. (a) Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital at the commencement of the winding up or which ought to have been paid up on the share held by them respectively.
- (b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

Distribution in Species or Kind

240. Subject to the provisions of the Act:
- (a) If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.
- (b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular

any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right; if any to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

- (c) In case any shares to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall, if practicable act accordingly.

Rights of Shareholders in Case of Sale

- 241. Subject to the provisions of the Act, a special resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.

SECRECY CLAUSE

Secrecy Clause

- 242. (a) Every Director, Manager, Auditor, Treasurer, Member of a Committee Officer, Servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Director, 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 the accounts with individuals and in matters thereto, and shall be 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 Directors or by law or by the person to whom such matters 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 or other person (not being a Director) 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 detail of the Company's trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

INDEMNITY AND RESPONSIBILITY

Directors and others Rights to Indemnity

- 243. (a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Wholtime Director, Secretary, and Other Officers or employee of the Company shall be indemnified by the Company against, and it shall be the Duty of the Directors, out of the funds of the Company, to pay all costs, losses and expenses (including travelling expenses) which

such Director, Manager, Secretary, and Officer or employee any incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary, Officer or servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

- (b) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other Officer and employee of the Company shall indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property if the Company.

Directors and Other Officers not Responsible for the Acts of Others

244. Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Wholtime Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficient or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies if the Company shall be invested or for any loss or damage arising from the insolvency or tortuous act of any person, company or corporation, within whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

SOCIAL OBJECTIVE

Social Objective

245. The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilization of material and manpower resources and continued application of modern application of modern scientific and managerial techniques in keeping with the national aspirations and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

CHAPTER – XIII

DECLARATION

No statement made in this Information Memorandum contravenes any of the provisions of the Companies Act, 1956 and the rules made thereunder. All the legal requirements connected with the said issue as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this behalf have been duly complied with. All the information contained in this document is true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

For LYPSA GEMS & JEWELLERY LIMITED

(Formerly known as Maloo Gems & Jewellery Limited)

(Dipan B. Patwa)
Chairman