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**MEMORANDUM**

**&**

**ARTICLES OF ASSOCIATION**

**OF**

**KHANDWALA SECURITIES LIMITED**

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सत्यमेव जयते

प्रारूप० आई० आर०  
Form I. R.

निगमन का प्रमाण-पत्र

### CERTIFICATE OF INCORPORATION

ता०.....का सं०.....  
No. 11-70709..... of 19 93.....

मैं एतद्वारा प्रमाणित करता हूँ कि आज.....

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

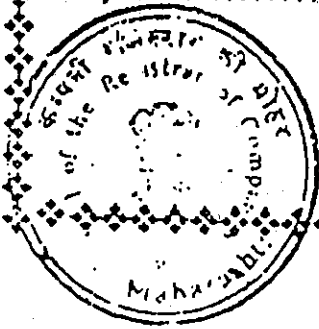
I hereby certify that **KHANDWALA SECURITIES... PRIVATE LIMITED**

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

मेरे हस्ताक्षर से आज ता०..... को दिया गया।

Given under my hand at **BOMBAY** this **NINTH**

day of **FEBRUARY**... One thousand nine hundred and **NINETYTHREE**



(S.R.V.V. SATYANARAYANA)

कापनियो का रजिस्ट्रार

ASSTT. Registrar of Companies  
Maharashtra



प्रारूप० आई० आर०  
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कम्पनी अधिनियम 1956 (1956 का 1) के अधीन  
कम्पनी परिसीमित है।

*Registered on 4.3.1993  
W.S. & S. Co. Pvt. Ltd.  
W.S. & S. Co. Pvt. Ltd.  
W.S. & S. Co. Pvt. Ltd.*

I hereby certify that **KHANDWALA SECURITIES PRIVATE LIMITED**

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

मेरे हस्ताक्षर से आज ता०..... को दिया गया।

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(S.R.V.V. SATYANARAYANA)

कम्पनियों का रजिस्ट्रार

ASST. Registrar of Companies  
Maharashtra

No. 11-70709

**CERTIFICATE OF CHANGE OF NAME  
UNDER THE COMPANIES ACT, 1956.**


In the matter of KHANDWALA SECURITIES LIMITED. ‡

I do hereby certify that pursuant to the provisions of section 23 of Companies Act, 1956 and the Special Resolution passed U/S. 31. <sup>Annual</sup> by the Company at its ~~Annual~~ <sup>Extraordinary</sup> Ordinary General Meeting on the 23RD SEPTEMBER, 1995.

the name of "KHANDWALA  
SECURITIES LIMITED. ‡  
has this day been changed to "KHANDWALA SECURITIES  
LIMITED. ‡"

And that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated this SEVENTH day of DECEMBER  
One thousand nine hundred and ninety four FIVE.



( B. K. BAISAL. )  
Addl. Registrar of Companies  
Maharashtra, Bombay.

‡ DEEMED PUBLIC COMPANY U/S. 43-A.

‡‡ SIMPLICITER PUBLIC COMPANY.



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

- I. The name of the Company is KHANDWALA SECURITIES LIMITED.
- II. The Registered Office of the Company will be situated in the State of MAHARASHTRA.
- III. The objects for which the Company is established are :-
  - (A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :-
    1. To carry on the business of an investment and broking (including subbroking) Company in all its branches and without prejudice to the generality of any other object to buy, underwrite, invest in, acquire, hold, lease, sell and/or otherwise deal in shares, stocks, debentures, bonds, obligations, securities issued by any Government, State, dominion, commissioner, public body or authority, municipal, local or otherwise, firm, company, association or person in India or elsewhere and any other financial instrument with or without obtaining corporate membership of any one or more Stock Exchange in India and/or abroad.
    - 1(A)\* "To carry on and / or solicit Insurance Business as Corporate Insurance Agent(s) and/ or Insurance Broker(s) and/ or Consultant(s) and / or Insurance Broking Firm and / or by any other name for Life and / or Non - life and / or General Insurance in India and / or out side India and also to carry on activity as Pension Fund Agent(s) and / or Broker(s) and / or Consultant(s) and / or marketing, selling distributing, soliciting any other Insurance related business and agency work within India / out side India."
    2. To carry out business as Merchant Bankers and underwriters, Sub-underwriters, Managers, Brokers, Registrars, Advisors, and/or Consultants

\* Inserted vide Special Resolution passed at the AGM held on 03.03.2003.

to private and/or public issue of Securities of every description whether issued by any Company, Corporation, firm or person whether incorporated or established in India and otherwise including any Indian or foreign Government, State Dominion, Sovereign, Municipality or public Authority.

3. To manage investment pools and portfolios for individuals, mutual funds, syndicates, corporate bodies and/or any other entity and to promote venture capital funds, mutual funds and/or Unit Trust of India in India or abroad.

Inserted vide resolution passed at the Annual General Meeting of the Company held on 27.03.95. Adopted at the Extra Ordinary General Meeting held on 04.09.93.

B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS :

4. To act as brokers for fees, brokerage, commission or any other form of remuneration on behalf of clients and to advise and facilitate the take over, amalgamation and mergers of companies, firms or undertakings and to do all such acts and things as may be necessary to execute any of the aforesaid activities.
5. To acquire by amalgamation, purchase, takeover or otherwise the whole or part of the assets, liabilities, and/or undertaking in India or elsewhere of any other company, body corporate, firm, association or individual carrying on, proposing to carry on or possessed of property suitable for the purpose of the Company or which can be carried on in conjunction therewith.
6. To enter into any partnership or into any arrangement for sharing profits or losses or any union of interest, joint venture, reciprocal concession or co-operation with any one or more person, firm, association of person, Hindu Undivided Family, Company, institution, body corporate carrying on or proposing to carry on business in India or abroad.
7. To establish branches and/or agencies of the Company in India and elsewhere for the purpose of the business of the Company.
8. To act as managers, issue house, transfer agents, registrars, liaison officer and/or generally to act as agents or representatives and to undertake accountancy, clerical and other allied activities.
9. To enter into agreement, contract for, undertake or otherwise arrange for receiving, mailing and/or forwarding any circulars, notice, reports, brochures, materials, articles and things belonging to any other company, firm, institution or person or persons, by means of delivery by hand or otherwise.

10. To develop and turn to account any land acquired by the Company or in which it is interested and in particular, by laying on and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up and/or improving buildings or other structures and/or by planting, paving, draining, farming, cultivating and letting on lease or agreement and/or by advancing money to and/or entering into contracts and agreements of all kinds with builders and/or others.
11. To acquire and hold by way of investment or resell and to let on hire-purchase, lease or rent any metals, bullion, gold, silver, precious stones, ornaments, jewellery, paintings coins, manuscripts objects of art and/or any other item and to pay for the same either in cash or otherwise.
12. To sell, exchange, mortgage, let on lease any royalty or tribute, grant licenses, easement, options and/or other rights over the same and in any other manner deal with or dispose of the whole or any part of the undertaking, property, assets, rights and effects of the Company for such consideration as the Company may deem fit in particular for stocks, shares whether fully or partly paid up, debentures or other securities of any other Company whether or not having objects altogether or in part similar to those of this Company.
13. To advance and lend monies on such security as may be thought proper or without taking any security thereof and to undertake financial and commercial obligations, transactions and operations of all kinds.
14. To invest the funds of the Company from time to time in such assets, properties, securities, shares, bullion, specie and/or investments or otherwise as may be determined by the Board and sell or vary all such investments and to execute all assignments, transfers.
15. Upon any issue of shares, debentures or any other securities of the Company, to employ brokers, commission agents and underwriters and/or to provide for the remuneration of such persons for their services by payment in cash and/or issue of share, debentures or other securities of the Company, by the granting of options to take the same or in any other manner allowed by law.
16. To act in conjunction with, unite or amalgamate with, create or constitute or assist in creating or constituting any other company or association of any kind for the purpose of acquiring all or any of the assets, rights, and liabilities of the Company and to buy or absorb all or any of the business or asset of any such company or association and to acquire and secure membership, seat or privilege in and/or any association, exchange, market or institution in India or abroad.

17. To sell, dispose of or transfer the business property, assets, and/or undertaking of the Company or any part thereof for any consideration which the Company may deem fit to accept and in particular for shares, debentures, debenture stock, bonds, and/or securities of any other company or companies for the purpose of its or their acquiring all or any of the property, rights, or liabilities of this Company or for other purposes of this Company.
18. To expend money in experimenting on and testing and improving or seeking to improve any patents, rights, inventions, discoveries, processes and/or information of the Company or those which the Company may acquire or propose to acquire.
19. To place, reserve or distribute as bonus shares among the members or otherwise to apply as the Company may from time to time deem fit, any monies received by way of premium on shares and/or debentures issued at a premium by the Company and any monies received in respect of shares and monies arising from the sale by the Company of shares.
20. To acquire and undertake the whole or any part of the whole or any part of the property, assets or liabilities of any person, firm and/or Company carrying on similar business.
21. To refer to or agree to refer any claim, demand, disputes or any other question, by or against the 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 parties to arbitration in India or any place outside India and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards.
22. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the Company or the issue of its capital including brokerage and commission for obtaining application for or taking or placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
23. To receive money, securities, valuable of all kinds and/or deposits at interest or for custody, subject to the provisions of Section 58A of the Companies Act, 1956 and directives of the Reserve Bank of India issued from time to time, but not to carry on banking business as defined under the Banking Regulations Act, 1949.
24. To promote, assist, take part in, appear and/or put forth evidence before any commission, investigation, inquiry, trial and/or hearing, whether public or private, relating to matters connected with any trade, business or



industry.

25. To undertake and carry on the office or offices and duties of trustees, executors, administrators, registrars, custodians and/or nominees of or for any person, body corporate whether incorporated or not, association, scheme, trust, government, state and/or municipal and generally to undertake, perform and discharge any trust or agency business and any office of trust or confidence.
26. To draw, make, accept, endorse, discount, negotiate, execute, issue and/or deal in any manner whatsoever in bills of exchange, promissory notes, hundies, bills of lading, warrants, debentures and or other negotiable or transferable instruments or securities.
27. To acquire any such shares, stocks, debentures, debentures stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise and/or to guarantee the subscription thereof and/or to exercise and enforce all rights and power conferred by or incidental to the ownership thereof.
28. To construct, alter, improve, decorate, develop, furnish and maintain offices, flats, houses, factories, warehouses, godowns, shops, buildings and other structures, works and convenience of all kinds on any of the lands or immovable properties purchased or acquired by the Company and to lease, sell, deal in or to otherwise dispose of the same and/or to purchase, charter, hire, build or otherwise acquire vehicles of any and every sort of description for use on land, water, or in air and to employ the same for the transport of merchandise of all kinds and/or passengers for the business of the Company.
29. To borrow or raise monies or loans for the purpose of the business of the Company in such manners as the Company shall deem fit and in particular, by the issue of promissory notes, bills of exchange, hundies and other negotiable or transferable instruments and/or by mortgage, charge hypothecation or pledge and/or by issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property and/or assets, both present and future, including its uncalled capital, upon such terms as the Directors may deem expedient and/or to take monies on deposit or otherwise with or without allowance of interest thereon and to lend monies to customers and others having dealings with the Company and/or to guarantee the performance of contracts by any such persons and/or to execute all deeds, writing and assurance for any of the aforesaid purposes subject to the provisions of Section 58A of the Companies Act, 1956 and directives of the Reserve Bank of India issued in this regard from time to time.
30. To do all such other things as are incidental or which the Company may think conducive to the attainment of any one or all of the above objects.

31. To aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
32. To undertake and execute any trust or discretion, the undertaking whereof may seem desirable and the distribution amongst the beneficiaries, pensioners and/or other persons entitled thereof of any income, capital or annuity, whether periodically or otherwise and whether in money or specie, in any trust, direction, discretion or other obligation or permission.
33. To promote co-operation, hold conferences, organise and participate in meetings, maintain bureaus, carry on correspondence, undertake publications, arrange discussion, symposiums and debates, prepare statements, reports and articles relating to any and all matters of interest of trade, industry or business.
34. To communicate with chambers of commerce and other mercantile and public bodies throughout the world and to advise on concert, promote and/or support measures for the protection, advancement and growth of trade, commerce and industry and for the protection and welfare of persons engaged therein.
35. To form, incorporate or promote any company or companies, whether in India or elsewhere having amongst its or their objects the acquisition of all or any of the assets, control, management and/or development of the Company or any other objects or objects which in the opinion of the Company could or might directly or indirectly assist the company in the management of its business and/or the development of its properties or otherwise prove advantageous to the Company and to pay for all or any of the assets and expenses incurred in connection with any such promotion or incorporation and/or to remunerate any person or company in any manner it shall deem fit for services rendered or to be rendered in placing, obtaining or assisting in placing or obtaining subscription for the promoted company or for guaranteeing the subscriptions for the promoted company or any bonds, debentures, obligations and/or securities of any other company held or owned by the Company or in which the Company may have an interest or in or about the formation, promotion or the conduct of its business the Company may have an interest.
36. To create any reserve fund, sinking fund, insurance fund, dividend equalisation fund and/or any other special fund, whether for depreciation repairing, improving, extending, maintaining any of the property and/or assets of the Company or for any other purpose.
37. To enter into any arrangement with any government and/or authority, municipal, local or otherwise that may seem conducive to the attainment of the objects of the Company or any of them and to obtain from any

such government and / or authority any rights , privileges , charters, contracts, licences and/or concessions.

38. To apply for, purchase or otherwise, by way of license or otherwise, prolong and review, in any part of the world, any patents, patent rights, invention trade mark rights, copyrights, secret possesses, technical aid, "know –how" which may be useful for the attainment of the Company's objects and to grant licences to use the same.
39. To exchange, lease, mortgage, underlet, sell, give in gifts or otherwise dispose of and/or deal in land, property, assets, rights, resources and undertaking of the Company or any part thereof, for such consideration as the Company may deem fit and particular for shares and/or debentures, or securities of any other Company.
40. To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company for which the Company shall construe to be preliminary expenses including therein the costs of advertising, commission for underwriting, brokerage, printing and stationery and other incidental expenses incurred.
41. To procure the registration or other recognition of the Company in India and/or abroad and to establish and regulate agencies for the purpose of the Company's business and to apply or join in applying to the Government, local, municipal and/or other authorities or bodies for concessions, orders, right and/or privileges that may seem conducive to the attainment of the Company's objects or any of them and to oppose any proceedings or applications which may seem calculated, directly or indirectly, to prejudice the Company 's interest.
- 41(A)\* To undertake all the activities, functions and obligations of the Depository Participant and such other activities which are incidental and ancillary thereto.
42. To provide for the welfare of the directors, ex- directors, employees and/ or ex-employees of the Company and the wives, widows and families of such persons, by building and/or by contributing to the building of house and/or by grant of money, pensions, allowances, bonus and/or other payments and/or by creating and subscribing to provident, pension, superannuation and/or other funds and providing or subscribing towards schools, place of instruction and recreation, hospitals, dispensaries and other assistance as the Company shall deem fit and to form, subscribe to and/or otherwise aid benevolent, religious, scientific, national, public and/or other institutions, objects or purposes.
43. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertising in the press or otherwise, by publication of books and periodicals and/or by granting prizes, rewards, scholarships or by any other means.
44. To apply the assets of the Company in any way in or towards the

establishment, maintenance or extension of any association, institutional and/or fund in any way connected with any particular trade or business or with any trade or commerce generally and including any association, institution or fund for the protection of the interest of the owners and /or employers against loss by debts, strikes, fire, accidents or otherwise and/or for the benefit of any clerks, workmen or others at any time employed by the Company or by any of its predecessors in business, or their families or dependent and in particular in friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institutions, dining and recreation rooms, churches, chapels, temples, schools and hospital and grant pensions and allowances and to contribute to any funds raised by public or local subscription for any purpose whatsoever.

45. To pay for any rights or assets acquired by the Company and to remunerate any person or body corporate rendering services to the Company either by cash payment or by allotment to him or them of shares or securities of the Company credited as paid up in full or in part or otherwise.
46. To open current, fixed, overdraft and/or other account with any Bank, Bankers, Shroffs and/or Merchants and to pay into and/or to draw monies from such accounts.
47. To guarantee the performance of any contract or obligation of and the payment of money of and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which guarantee may be considered likely directly or indirectly to further the objects of the Company or the interests of its shareholders.
48. To apply for and acquire permits, licences and quota rights from the Government of India or from State Government or from foreign Governments to import and export plant, equipment, spare parts thereof, machinery, raw materials, intermediaries, finished products, processing materials and/or any other item.
49. To insure with any other company, firm, person or entity against losses, damages and risks of all kind which may affect the Company.
50. To obtain any provisional order or Act of the Government for enabling the Company to carry on any of its objects into effect or for effecting any modification of the Company's constitution.
51. To distribute any of the Company's property among the members in specie subject to the provisions of the Companies Act.

(C) OTHER OBJECTS:

52. To carry on and undertake any business undertaking, transaction or

operation commonly carried on or undertaken by capitalists; promoters, financiers, concessionaries or contractors.

53. To establish, provide, maintain, conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments, to undertake and carry on financial, scientific and technical research, experiments and tests of all kinds, to promote studies and research, financial, scientific and technical, investigations, innovations and inventions by providing, subsidising, endowing, organising or assisting laboratories workshops, lectures, meetings and conferences and by providing or contributing to the remuneration of financial, scientific and/or technical professors, speakers and/or teachers and by providing or contributing to awards, scholarships, prizes and/or grants to students or otherwise generally to encourage, promote and reward studies, research, investigations, experiments, test, innovation and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.
54. To acquire from and/or to provide any person, firm or body corporate or unincorporate whether in India or elsewhere, technical information, know-how, process, engineering, manufacturing and operating data, plan, layout and/or blueprint useful for the design, erection and operation of the plants required for any business and to acquire or provide any grant, licences, right and/or benefit in the foregoing matters and things.
55. To finance any industrial and/or other enterprise by way of lending and/or advancing on money, machinery, land, building, shed or such other assets as may be required by such industrial and/or other enterprise, either with or without security and upon such terms and conditions as the Company may deem fit and to guarantee any contract, entered into by any industrial and/or other enterprise with any financial institution, bank or other party for obtaining finance whether for its short or long term financial requirement.
56. To carry on financing operations and perform financing services including factoring, granting loans both short and long term, bill discounting, underwriting and broking of stocks, shares, debentures, Government and Public Sector equities, bonds and securities, units, National Saving Certificates, commercial papers,.
57. To act as financial and/or management consultants and provide advice, service, consultancy in various fields including administrative, commercial, financial, legal, economic, labour, industrial, public relation, scientific, technical, direct and/or indirect taxation and other levies, statistical, accountancy, quality control, data processing and/or any other activity.
58. To purchase, sell or otherwise transfer, lease, use, dispose of, operate, programme, fabricate, construct, assemble, design, develop, charter, hire,

acquire, recondition, work upon or otherwise deal in computers, tabulators, data processing machines and allied machinery and electronic equipment of every kind, description and activation including accounting, book keeping, calculating, sorting, adding, subtracting, dividing, multiplying, printing, typing, copying, reproducing and distributing machines and machinery systems, apparatus, appliances, facilities, accessories, and devices of all kinds, components and parts thereof or materials or articles used in connection therewith and all other machine, machinery appliances, apparatus, devices, materials, substances, articles and/or things of a character similar or analogous to the foregoing or connected therewith.

59. To act as buying and selling agents of any company and to do and perform wholly or partly the several duties, services and offices which the buying and selling agents of any company usually do and perform and to undertake and to become bound by conditions of any agreement entered into for any purpose, subject to the provisions of the Companies Act.
60. To carry on the business of manufacturers and dealers in all kinds of packagings, requisites and cartons, made of cardboard, starboard wood, glass and/or any other material metal glass or plastic containers and also containers of any other metal.
61. To carry on the business of manufacturers and dealers, importers, exporters of oil and colour paints of all types and all kinds including liquors enamels, paints, varnishes, oils, distempers, dry colours, minerals, disinfectants, turpentine, painting brushes and compounds, derivatives, intermediates and by-products of all or any of them.
62. To take on lease, purchase on hire and/or otherwise acquire, maintain and run cotton mills, woolen mills, silk mills, jute mills, man made spinning and weaving mills and all other textile and goods manufacturing mills and to purchase, manufacture, gin, comb, prepare, spin, weave, dye, bleach, print, process, import, export and deal in cotton, kapas, flax, hemp, jute, wool, silk, terene, staple, synthetic and anyother man made fibrous substance, their yarn, linen, cloth and other goods and fabrics, whether textile, felted, netted or looped and/or made of vitriol, bleaching and dyeing materials.
63. To carry on the business of leasing/hire purchase and letting on lease/hire-purchase movable and/or immovable assets of all kinds including plants, machinery, internal communication systems and equipments, computers, computer programme, software, office equipment of all kinds, earth moving equipments, construction equipments, and motor vehicles of all kind, house hold and office furniture, domestic and business appliances, aeroplanes, launches, boats, ships, helicopters, any electrical and electronic equipment or any other articles or articles on such terms and conditions as the Company may deem fit.

64. To carry on the business as financial advisors and assist in all financial costing, accounting, internal controls and other similar matters, to advise and assist in the preparation of all revenue and capital budgets, employment of funds, long term planning for utilisation of resources for rehabilitation, renewal, expansion and diversification, procuring banking and institutional finance including cash credit facilities, overdraft facilities, subscription to debentures, term loans and/or any other related facilities, to assess the need for short and long term credit requirements and raising of resources; to advise and assist in the formulation of internal control procedures for the maintenance and presentation of all assets and prevention of fraud and wastages, financial and cost accounting procedure and other connected matters, to advise and assist in formulating long term financial policies and control of their execution and generally to advise and assist in all financial, fiscal and revenue matters.
65. To carry on the business of transport, cartage and haulage contractors, garage proprietors, owners and charterers of road vehicles, air crafts, ships, tugs, barges and boats of every kind lightermen, carriers of goods and passengers by road, rail, water, of air carmen, cartage, contractors, superintendents, packers, houlers, warehousemen, storekeepers, and/or jobmasters.
66. To manufacture, produce, buy, sell, import, export, stock and deal in machine tools, grinding machines, automatic lathes, drilling machines, planning machines, planogrinder, precision tools, cutting tools, electric motors, electrical equipments, equipments for generation, transmission and distribution of electricity, cables, wires, conductors, switchgears, flame and dip proof motors, electric fans, regulators of all types, electrical kilo-watt hour meters, magnets, industrial jewels, ammeters, non-electric die castings, screws, nuts, bolts, transformers of all types, circuit breakers, hoists, elevators, gears, trolleys, coaches, winches, air compressors, welding sets, washing machines, telephones, teleprinters, public address equipments, lightening arresters, rotavators, radar equipments, valves, resistors, electronic equipments and instruments, conductors, materials and transistors.
67. To cultivate, grow, produce, purchase, sell, deal and trade in agricultural and vegetable products of all kinds and to take up any agricultural work and deal in manufacture, export import of all kinds of agricultural .
68. To grow, cultivate, produce, manufacture, treat, blend, render marketable and transport, whether in bulk or in packed or concentrated forms, tea, coffee, cocoa or any other beverage, all varieties of foods and food products, plantation crops, orchard crops, cereals, vegetables, spices, essential oils, aromatic substances including the growing, cultivation and reproduction of tea seeds and other vegetative material of all types and to buy, sell, store, further process, sort, grade or otherwise prepare import, export, dispose of and otherwise deal in and trade in all or any of the

aforesaid produce or commodities, things, and products either in processed, finished, manufactured or raw state by retail, wholesale or otherwise.

69. To engage in research into all problems relating to personnel and industrial and business management and distribution, marketing and selling and to collect, prepare and distribute information and statistics relating to any type of business and industry and generally to act as market research consultants.
70. To build, construct, maintain, enlarge, pull down, remove or replace, improve or develop and to work, manage and control any buildings, offices, factories, mills, foundries, godowns, warehouses, shops, plant and machinery, roadways, electrical works, gas works, water works and to sink wells and shafts and to make, build and construct, lay down and maintain dams, reservoirs, cisterns, culverts, filters beds, mains and other pipes and appliances and to execute and to do all other acts and things necessary or convenient for obtaining, storing, selling, delivering, measuring, distributing and dealing in water and to join with any person or company or with any government authority in doing any of these things.
71. To carry on business of travel agency and to act as tourist agents and contractors and to facilitate travelling and to provide for tourists and travellers or promote the provisions of convenience of all kinds.
72. To carry on the business as proprietors and publishers or newspapers, journals, magazines, books and other literary works and undertakings.
73. To carry on all or any of the business of printers, stationers lithographers, type foundry, stereotypers, photographic printers, photolithographers, chromolithographers, engravers, die-sinkers, book-binders, designers, draughtsmen, paper and ink manufacturers, book sellers, publishers, advertising agents, engineers and dealers in or manufacturers of any other articles or things of any of them or concerned therewith.
74. To carry on all or any of the business as merchants, traders, commissions agents, buying agents, selling agents, brokers, adatis, buyers, sellers, importers, exporters, dealers in collectors, manufactures, of or in any other capacity and to import, export, buy, sell, barter, exchange, pledge, mortgage, advance upon or otherwise trade and deal in machinery, equipments, components, spare parts, goods, produce, articles and merchandise of any kind whatsoever and without prejudice to the generality of the foregoing agricultural commodities, foodgrains, cash crops, cotton, tea, jute, coffee, fruits, spices, vegetables, flowers, milk products, meat, seeds, raw materials required by industries semi-finished products of industries including machinery, equipment, chemicals, intermediates, electrical goods, textile yarns, garments, furniture, minerals,



ores and oils as wholesalers or retailers on the basis of ready delivery or forward contracts or on commission basis.

75. To carry on business as manufacturers, processors, refiners, exporters, importers and dealers in all types of chemicals including basic chemicals, organic chemicals, inorganic chemicals, heavy chemicals, mixed chemicals and fertilizers, dyes, dyestuffs and dyestuff intermediates, pesticides including insecticides, fungicides, herbicides, weedicides, drugs and pharmaceuticals including biological and therapeutic preparations, hormones including plant growth activators and regulators and other articles and compounds, ingredients and products and other things, of any description for use in connection therewith.
76. To carry on all or any of the business of manufacturing, processing and dealing in iron and steel, ferro-alloy, special steel, aluminium, copper, lead, zinc and their alloys and products and of manufacturing and dealing in industrial machinery, boilers, internal combustion engines, ball, roller and taper bearing, tubes, cables, wires, pipes, cookers, printing machinery and textile machinery and their components and accessories.
77. To carry on all or any of the business of marketers of all dealers in scientific and industrial instruments of all kinds for indicating, recording, controlling, measuring, and timing and machine tools, precision tools, surgical instruments and appliances, artificial limbs, dental and optical equipment and goods, anatomical and surgical appliances of all kind provides of all requisites for hospital, patients and invalids.
78. To carry on business as manufactures, processors exporters, importers, and dealers in all types of synthetic resins such as resins of oxidised semioxdising or non-oxidising varieties, modified alkyd resins of phenolated, styrented, sacrylated, siliconized, thixotropic, water soluble, chain terminated or vinylated types pure or modified phenolic resins, estergum, rosin, rosin modified alkyds, hydrogenated phenolic rosins and rosin derivates, rosin modified, maliecs, amino resins, saturated and unsaturated polyesters, epoxies, polyimides, ketonic resins, acrylic resns in all varieties, thermoplastic and thermosetting resins, hydroceton resins, vinyl resin of different types, polymeric/plastisizers, Polyethane, Polycarbonates, silicones, cellulosic plastics, thermosetting and thermoplastic materials and resinous materials, elastomer emulsions, polymers, surface and active and tanning agents.
79. To carry on business as manufacturers, processors, extractors, refiners, bleachers, exporters, importers, distributors and dealers in vegetable oils and oil derivatives like castor oil, linseed oil, fish oil, khardi oil, nigerseed oil and other vegetable oil and their derivatives.
80. To carry on the business of producers, refiners, storers, suppliers, importers, exporters of petroleum and petroleum products, waxes,

butanes, naphtha and tar products.

81. To carry on the business of Merchant Bankers, Managers, Brokers, Registrars and Advisors and/or Consultants to the public and/or private issued of shares, debentures and Fixed Deposits and securities of every description whether issued by any Company, Firm or person whether incorporated or established in India and otherwise including any Indian or foreign Government State Dominion, Sovereign, Municipality or Public Authorities or to render all kinds of services allied to the activity of shares and stocks.
82. To manage investment pools and portfolios for individuals, Mutual Funds, Syndicates, Corporate Bodies and/or any other entity and to promote Venture Capital Funds, Mutual Funds and/or Unit Trust in India or abroad.

AND IT IS HEREBY DECLARED THAT :-

- (i) The objects incidental or ancillary to the attainment of the objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the Company.
- (ii) The word "Company" (save when used with reference to this Company) in this memorandum shall be deemed to include any partnership or other body or association of person, whether incorporated or not and wherever domiciled.
- (iii) The objects set forth in each of the Several Clauses of paragraph III hereof shall have the widest possible construction and shall extend to all parts of the world and the objects set forth in any clause of sub-paragraph C shall subject to the provisions of the Companies Act, 1956, be independent and shall, in no way, be limited or restricted by reference to inference from the terms of the Clauses of sub-paragraph A or by the name of the Company.
- (iv) Nothing in this paragraph shall authorise the Company to do any business which may fall within the purview of the Banking Regulations Act, 1949 or the Insurance Act, 1938.

IV. The liability of the members is limited.

V.\* The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 1,40,00,000 (One Crore Forty Lakhs Only) equity shares of Rs. 10/- (Rupees Ten Only) each and 5,00,000 (Five Lakhs only) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees Hundred Only) each and 4,00,000 (Four Lakhs only) Cumulative Convertible Preference Shares of Rs. 100/- each (Rupees Hundred only) and 2,00,000 (Two Lakhs only) Optionally Convertible Redeemable Preference Shares of Rs. 100/- each (Rupees Hundred Only) within the rights, privileges and conditions, attaching thereto as are provided

by the Articles of Association of the Company for the time being, with the power to divide the share in the capital of the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or statutory modification thereof or provided by the Articles of Association of the Company for the time being."

\* Inserted vide Special Resolution passed at the AGM held on 2<sup>nd</sup> September, 2005.

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

Names Address, Description and Occupation of the Subscribers	Number of the Equity Shares taken by each Subscriber	Signature of Subscriber	Name, Address, Description and Occupation of Witness
<p><b>PARESH J. KHANDWALA</b> S/o. JAYANTILAL RANGINDAS KHANDWALA REKHA-2, BLOCK - 36, 46, RIDGE ROAD, MUMBAI - 400 006.</p> <p><b>OCCUPATION : BUSINESS</b></p>	<p>10 (Ten)</p>	<p>Sd/-</p>	
<p><b>ASHOK J. KHANDWALA</b> S/o. JAYANTILAL RANGINDAS KHANDWALA 4, KRISHNA KUNJ, JUHU SCHEME, N. S. ROAD NO.6, MUMBAI - 400 056.</p> <p><b>OCCUPATION : BUSINESS</b></p>	<p>10 (Ten)</p>	<p>Sd/-</p>	<p><b>WITNESS TO ALL</b> Sd/- <b>SANDEEP S. SHAH</b> Son of SHRISH SHAH 12 B, GANGADAS WADI, BABUNATH ROAD, MUMBAI - 400 007. <b>OCCUPATION : SERVICE</b></p>
<p><b>TOTAL</b></p>	<p>20 (Twenty)</p>		

MUMBAI : Dated This 16th Day of December 1992.

**ARTICLES OF ASSOCIATION**  
**OF**  
**KHANDWALA SECURITIES LIMITED**

**A Company Limited by Shares incorporated under the Companies Act, 1956.**

**CONSTITUTION OF THE COMPANY**

1. Khandwala Securities Limited is established with limited liability in accordance with and subject to the provisions of the Companies Act, 1956 but none of the Regulations contained in the Table marked "A" in Schedule I to the Companies Act, 1956 shall be applicable to the Company except so far as the said Act or any modification thereof otherwise expressly provides.

The regulations for the management of the Company and for the observance of the members thereof and their representatives shall subject as provided in Article 1 and to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations in the manner prescribed by Section 31 of the Companies Act, 1956, be such as are contained in these Articles.

**INTERPRETATION CLAUSE**

2. In these articles, unless there is something in the subject-matter or context inconsistent therewith.

"The Company or This Company" means KHANDWALA SECURITIES LTD.

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

"Beneficial Owner" means a person whose name is recorded as such with a depository.

"SEBI Board" means the Securities and Exchange Board of India.

"Bye-laws" made by a depository under Section 26 of the Depositories Act, 1996;

"Board" means the Board of Directors of the Company for the time being.

"Dividend" includes bonus.

"Depositories Act" means the Depositories Act, 1996, including any statutory modification or re-enactment thereof for the time being in force;

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992;

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

"Paid-up" includes credited as paid-up.

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

"Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by Regulations;

"Register and Index of beneficial owners" maintained by a depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members for the purposes of the Act and these Articles;

"Regulations" means the regulations made by the SEBI Board;

"The Seal" means the Common Seal for the time being.

"Security" means share, debentures and such other security as may be specified by the SEBI board from time to time.

"Month" means calendar month.

"Member" means the person whose name is duly entered in the register of members of the Company.

"In writing" or "Written" means and include words printed, lithographed, represented or reproduced in any mode in a visible form.

"Secretary" includes any person appointed to perform the duties of Secretary temporarily.

Words importing masculine gender also include the feminine gender.

Words denoting persons include corporations.

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

## SHARE CAPITAL

3\* The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 1,40,00,000 (One Crore Forty Lakhs Only) equity shares of Rs. 10/- (Rupees Ten Only) each and 5,00,000 (Five Lakhs only) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees Hundred Only) each and 4,00,000 (Four Lakhs only) Cumulative Convertible Preference Shares of Rs. 100/- each (Rupees Hundred only) and 2,00,000 (Two Lakhs only) Optionally Convertible Redeemable Preference Shares of Rs. 100/- each (Rupees Hundred Only).

Subject to provisions of the Companies Act, 1956 and in particular to Section 80 or any statutory modification thereof for the time being in force the said cumulative Redeemable Preference Shares shall be redeemed in the manner and subject to the conditions following:

The said Cumulative Redeemable Preference Share (Preference Share) shall be redeemed in full/at part at the discretion of the Board of Directors but in any case not later than 10 years by giving 3 months' notice in writing of such redemption subject to the following conditions :

- (i) No such Preference 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 the fresh issue of shares made by the Company for the purpose of such redemption after giving 3 months notice in writing of such redemption to the holders thereof.
- (ii) None of such shares shall be redeemed unless it is fully paid up.
- (iii) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend be transferred to a Reserve Fund to be called "The Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company, shall, except as provided in Section 80 of the said Act apply as if such Capital Redemption Reserve Account were paid-up share capital of the Company.
- (iv) Where the option to redeem a part of the outstanding Preference Shares is exercised, the particular shares to be so redeemed shall be determined by drawing lots to be made at such time and place and in such manner as the board of Directors may determine but in the presence of at least one of the Directors and the Representative of at least one of the Auditors of the Company for the time being.
- (v) Forthwith after every such drawing the Company shall give to the holders of the said Preference Shares drawn for redemption notice in writing of the Company's intention to redeem the same and fixing the time (not less than 3 months ahead) and place for the redemption and surrender of the Share Certificates in respect of Preference Share to be redeemed.
- (vi) At the time and place so fixed such Shareholder shall be bound to surrender to the Company the Certificate or Certificates of his Preference Shares to be redeemed and the Company shall pay to him the amount payable in

\* Inserted vide Special Resolution passed at the AGM held on 2<sup>nd</sup> September, 2005.

respect of such redemption.

- (vii) In the event of the Company creating and/or issuing further Preference Shares ranking pari passu or in the priority to the said Preference Share issued by the Company and then outstanding it would do so only with the prior consent of the holders of not less than three fourths of the said Preference Share then issued and outstanding or with the sanction of a Special Resolution passed at a separate Meeting of the holders of the said Preference Share.
4. 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 the compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if 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 the sanction of the Company in the General Meeting.
5. In addition to and without derogating from the powers for that purpose conferred on the Directors under Article 6 the Company in General Meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holder of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine and with full power to give to any person (whether a member or holder of debentures of the Company or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par, or (subject to compliance with the provisions of Section 79 of the Act) at a discount, such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.
6. (1) Where at the 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 the unissued capital or out of the increased share capital then;



- (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid up on those shares at the date.
  - (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
  - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. 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.
  - (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.
- (2) 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 persons 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 the general meeting (including the casting vote, if any of the Chairman) by the members who, being entitled to do so, 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.
- (3) 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 authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) 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 loan 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.

7. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless provided by the terms of issue of share 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, abrogated or dealt with by the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting, the provision of these Articles relating to general meetings shall mutatis mutandis apply, but the necessary quorum shall be two persons at least holding or representing by proxy or one-third of the issued shares of that class in question.
8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
9. The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances 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 shares and, if so issued, shall be deemed as fully paid-up shares.
10. No allotment of shares can be made by the Board except in conformity with sections 69 and 70 of the Act.
11. No persons shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound or be compelled in any way to recognise even on having notice thereof, any equitable, contingent, future or partial interest in any share or any interest in any fractional part of the share or (except as may be provided by the Articles), any other rights in respect of any share excepting the absolute right to the entirety thereof in the registered holder.

11(A) The Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any shares or other securities or whose name appear as the Beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof.

12. Notwithstanding anything to the contrary contained in these articles, in the event of the exercise of an option in respect of Debentures issued to or loans raised from the Government or any institution specified by the Central Government under the provisions Section 81 (3) (b) or other applicable provision of the Act, it shall be permissible for the Directors of the Company to issue and allot or reserve for allotment further shares including any bonus or right shares and thereby increase the subscribed capital of the Company in accordance with the agreed terms with the Government or such institutions as applicable to the relative debentures issued to/loans granted by them without requiring any resolution of the Company in general meeting or without making any offer to the existing shareholders of the Company as aforesaid.

12(A) 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.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

Except as provided by Section 77 of the Act, no part of the funds of the Company shall be employed in the purchase of, or in loans on the security of the share of the Company.

(B) The Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any Shares or other securities or whose name appear as the Beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof;

(C) Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to Depositories Act and the rules and regulations framed there under;

(D) Option to received security certificates or hold securities with depository.

(1) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository;

(2) Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security,

- (b) either with or without extinguishing or reducing liability on any of its shares cancel any 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.

#### **BUY BACK OF SHARES**

- 15. Subject to the modification of existing Section 77 of the Companies Act, 1956, or re-enactment of the Companies Act, 1956, from time to time guidelines, if any, that may be issued by SEBI or any other authority in this regard, the Company shall have power to buy its own shares.

#### **UNDERWRITING AND BROKERAGE**

- 16. The Company may subject to the provision of Section 76 and other applicable provision (if any) of the Act at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscription, whether absolutely or conditionally for any shares in or debentures of the Company but so that the amount or rate of commission does not exceed in the case of share 5% of the price at which the shares are issued and in the case of debentures 2.5% of the price at which Debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

#### **SHARES CERTIFICATES**

- 17. The certificates of title to shares and duplicates thereof, when necessary, shall be issued under the Seal of the Company, which shall be affixed in the presence of (i) two Directors or a Director and a person acting on behalf of another Director under a duly registered power of attorney or two persons acting as attorneys for two Directors as aforesaid; and (ii) the Secretary or some other person appointed by the Board for the purpose, all of whom shall sign share certificate.
- 18. Every member shall be entitled to, free of charge, one or more certificates for all the shares of each class registered in his name in marketable lots or if the Board so approves to several certificates, each for one or more of such shares.
- 19. The Company shall not charge any fee for :
  - (a) registration of transfer of shares and debentures;
  - (b) sub-division and consolidation of share and debenture certificate and for sub-division of letters of allotment and split, consolidation, renewal and

pucca transfer receipts into denominations, corresponding to the market units of trading;

- (c) sub-division of renounceable Letter of Right;
- (d) issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;
- (e) registration of any power of attorney, probate, letters of administration or similar other documents;
- (f) the Company shall not charge any fees exceeding those which may be agreed upon with the Exchange;
- (g) issue of new certificates in replacement of those that are torn, defaced, lost or destroyed.

20. The Company shall within three months after the allotment of any of its share or debenture and within one month after the application for the registration of the transfer of any such share or debenture complete and have ready for delivery the certificates of all shares and debentures allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provide. The expression "transfer" for the purpose of this Article 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.

20(A) If any certificate be worn out, defaced, mutilated or torn or 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 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 Certificates under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

## JOINT HOLDERS OF SHARES

21. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-holders with benefit of survivorship, subject to the provisions following and to other provisions of these Articles relating to joint-holders:-
- (a) The Company shall not be bound to register more than four persons as the joint-holders of any share.
  - (b) The joint-holders of a share shall be liable severally as well as jointly in respect of all payment, which ought to be made in respect of such shares.
  - (c) On the death of any one of such joint-holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such shares but the Board may require such evidence of death as it may deem fit.
  - (d) Only the person, whose name stands first in the Register as one of the joint-holders of any share, shall be entitled to delivery of the certificate relating to such share and a receipt of dividends and notice, and other communications from the Company.
22. The Company shall have a first and paramount lien upon all the shares/debenture (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause."
23. The Board may enforce the lien conferred under the preceding Article by selling the said shares in such form and manner as it may think fit, subject, nevertheless, that no sale shall be made until such period as aforesaid shall have elapsed and until a demand and notice in writing under the hand of the Secretary or Manager of the Company has been sent by prepaid post to a member demanding payment of the amount outstanding in respect of which the lien is claimed and default has been made by the member in complying with said notice for a period of 14 days after the date of the said notice. In the event of death or insolvency of the member against whose shares the lien is claimable, the notice shall be issued by the Company to the person that will be entitled to the shares whether in whole or in part by reason of the death or insolvency of the said member.
24. The proceeds realised from any such sale shall be applied first in discharge of the expenses incurred in connection with the said sale and next in payment or

discharge of the amount for which the lien was enforced and the residue, if any, shall be paid to the person entitled to the shares on the date of sale.

25. The Board can empower any officer of the Company to execute the transfer deed relating to share sold to confer title on the purchaser and shall register him as the holder of the shares purchased by him on his submitting the transfer deed with the requisite fee, and the Board may issue thereupon a duplicate certificate in his favour showing him as the holder of the shares covered by the said transfer. The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### CALLS

26. The Board may, from time to time, subject to the terms on which any share may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof, and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. A call may be made payable by instalments.
27. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.
28. Not less than 30 days' notice of any Call shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that, before the time for payment of such call, the Board may by notice in writing to the members revoke the same or extend the time for payment thereof.
29. Subject to Section 91 of the Act, the amount of each call shall be fixed by the Board at its discretion but no call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.
30. If, by the terms of issue of any share or otherwise the whole or part of the amount or issue price thereof is made payable at any fixed times or by instalments at fixed times, every such amount or issue price or instalment thereof shall be payable as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount, or issue price or instalment accordingly.
31. If the sum payable in respect of any call instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 24 per cent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such other rate as the Directors may determine but they shall have power to waive and forego the payment thereof wholly or in part.
32. On the trial or hearing of any action or suit brought by the Company against any member and/or his representative to recover any debt or money claimed to

be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register of the Company as a holder, or one of the holders of share in respect of which such claim is made, that the resolution making the call is duly recorded in the Minute Book and that the Company, and it shall not be necessary to prove the appointment of the Directors, who made any call, nor that a quorum of Directors was present at the meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

33. 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 sum whole or any part of the moneys 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, as 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.

The members shall not 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.

#### TRANSFER AND TRANSMISSION OF SHARES

34. The instrument of transfer of shares shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being in force shall be duly complied with in respect of all transfers of shares and the registration thereof.
35. The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the board may require to prove the title of transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.
36. a) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.
- b) Where the application is made by the transferor and relates to partly paid



shares, the transfer shall not be registered unless the Company gives notice of the application of the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

- c) For the purposes of sub-clause (b) above, notice to the transferee shall be deemed to have been duly given if it is despatched by pre-paid 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 in the ordinary course of post.
37. Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline 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, the 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 transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.
- 37(A) Nothing contained in section 108 of the Act, shall apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owner in the records of the Company.
38. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on share held by him jointly with any other person.
39. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased Members (not being one of two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such Member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or legal representative unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India : provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board of Directors may dispense with production of Probate or Letters of Administration or Succession Certificate and under Article 34 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

40. No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.
41. Subject to the provisions of the Act and these Articles, any person, becoming entitled to shares in consequence of the death, lunacy bankruptcy, or insolvency of any Member, or the marriage of any female Member, or any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposed to act under this Article, or of his title, as the Board of Directors think sufficient, either be registered himself as the holder of the shares or elect to have some persons nominated by him and approved by the Board of Directors, registered as such holder, provided, nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.
42. A person entitled to a shares by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided be entitled to receive and may give a discharge for any dividends or other monies payable in respect of the share.
43. No fee shall be charged for transfer of shares or for effecting transmission or for registering any letter of probate, letters of administration and similar other documents.
44. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice prohibiting registration of such transfer and may have entered such notice, or referred thereto in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have but been entered or referred to in some book of the Company, the Company shall, nevertheless be at liberty to regard and attend to any such notice, and give effect thereto, if the Board of Directors shall so think fit.
- 44(A) Notwithstanding anything contained in Articles 21, 38 and 39 or any other law for the time being in force, where a nomination has been made in the manner prescribed in Section 109A of the Companies Act, 1956, purporting to confer on any person the right to vest the shares in, or debentures of, the Company, the nominee shall, on the death of the shareholders or holder of debentures of the Company, or as the case may be, on the death of the joint holders, become entitled to all the rights in the shares or debentures of the Company as the case

may be, in relation to such shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner and the provisions contained in Section 109A and 109B of the Companies Act, 1956 shall be applicable to such cases.

Inserted vide resolution passed at the Extraordinary General Meeting of the Company held on February 26, 2000.

#### FORFEITURE OF SHARES

45. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the call instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
46. The Notice aforesaid shall :
  - (a) Name a further day (not earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) State that in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.
47. If the member commits default in complying with the terms of the said notice, any share in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the shares so forfeited and not actually paid before the date of forfeiture.
48. A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture, on such terms as it thinks, fit.
49. The person or persons in whose name the share stand registered in the books of the Company as on the date of forfeiture shall cease to be member or members of the Company in respect of the shares so forfeited but shall, notwithstanding the forfeiture, remain liable to pay the Company all moneys which on the date of forfeiture were presently payable by him/them to the Company in respect of the said shares. The liability of such person or persons shall cease if and when the Company shall have received the full face value of the said share.
50. A duly verified declaration in writing that the declarant is a director of the Company or Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all person claiming to be entitled to the shares and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of

shall be registered as application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.

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

#### **CONVERSION OF SHARE INTO STOCK**

52. The Company may, by ordinary resolution :-
- (a) Convert any paid-up shares into stock, and
  - (b) reconvert any stock into paid-up shares of any denomination.
53. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of share from which the stock arose.

54. The holder of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held the share from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares have conferred that privilege or advantage.
55. Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stockholder" respectively.

#### **SHARE WARRANTS**

56. The Company may, with the previous approval of the Central government in respect of its fully paid-up shares, issue under its Common Seal, Share Warrants in accordance with the provisions contained in Sections 114 and 115 of the Act.
57. The bearer of the Share Warrant shall not be entitled to sign as a requisitioner for the calling of any meeting of the Company, nor is he entitled to receive from the Company any notices. He will, however, be permitted to attend or vote at any meeting of the Company provided he lodges the Share Warrant at the office of the Company not less than one week before the date appointed for the

meeting. Not more than one person shall be recognised as the depositor of the Share Warrant. After the completion of the meeting, the company shall, on two days' written notice return the deposited Share Warrant to the depositor.

#### GENERAL MEETING

58. The statutory meeting of the Company shall be held at such place and time as the directors may determine, in accordance with the provisions contained in Section 165 of the Act.
59. The first annual meeting of the Company shall be held within 18 months after its incorporation. Thereafter an annual general meeting of the Company shall be held every year within six months after the expiry of each financial year, however, not exceeding 15 months from the date of its last preceding annual general meeting.
60. All other meetings of the Company shall be termed extraordinary general meetings.
61. The Board may, whenever it thinks fit, call an extraordinary general meeting of the Company and an extraordinary general meeting, shall also be held whenever there is a requisition from the members of the Company under Section 169 of the Act.
62. If at any time, there are not within India, Directors capable of acting, who are sufficient in number to form a quorum, any Director or any two members of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.
63. A general meeting shall be held by giving not less than 21 days notice in writing, specifying the place, day and hour of the meeting and containing a statement of the business to be transacted thereat. Every notice shall be given to every member of the Company and to persons entitled to a share in consequence of the death or insolvency of a member and to the Auditor of the Company. Accidental omission to give notice to or the non receipt of notice by any member or other person to whom it should be given, shall not invalidate the proceedings at the meeting.
64. With the consent of all the members entitled to vote thereat, an annual general meeting may be convened by giving a shorter notice and in the case of any other meeting, with the consent of the members of the Company holding not less than 95 per cent of the paid-up capital of the Company.
65. The following business transacted at the annual general meeting of the Company shall be deemed to be ordinary business.
  - (i) Consideration of the Accounts, Balance Sheet and reports the Board of Directors and Auditors.
  - (ii) The declaration of dividends
  - (iii) Appointment of Directors in the place of those retiring.

(iv) Appointment of Auditors.

(v) Fixing the remuneration of Auditors.

All other business transacted at the annual general meeting and all business transacted at any other meeting shall be deemed special.

66. Where any items of business to be transacted at a meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular, the nature and extent of the interest, of any Director. Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
67. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Five members present in person shall form the quorum for a meeting of the Company.
68. The Chairman, if any, of the Board of Directors, or any other director, who be appointed by the Board to preside at any general meeting of the Company shall preside as Chairman at the meeting of the Company.
69. 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 the requisition of members, shall stand dissolved. 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 to such other time and place as the Board may determine. If, at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for the holding of the meeting, the members present shall be the quorum.
70. The Chairman, may, within the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
71. At any general meeting a resolution put to the vote of the meeting shall, unless a poll is demanded, before or on the declaration of the result of the voting, be decided on a show of hands.
72. Before or on the declaration of the result of the voting of any resolution by 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 a demand made in that behalf by at least 2 members having the right to vote on the resolution and present in person or by proxy or by any member present in person or by proxy having not less than 1/10th of the total voting power in

respect of the said resolution. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

73. If a poll is demanded on the election of the Chairman or on the question of an adjournment of the meeting, it shall be taken forthwith. In all other cases the poll shall be taken at such time not later than 48 hours from the time when the demand was made.
74. When a poll is to be taken the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him. The Chairman shall have the power at any time before the result of the poll is declared, to remove a scrutineers from office and to fill vacancies in the office of the scrutineers arising from such removal of from any other cause. One of the scrutineers appointed under this Article shall always be a member of the Company, (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.
75. In the case of equality of votes on any resolution whether, on a show of hands or poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was directed to be held, shall be entitled to a second or a casting vote.
- 75A\* "Notwithstanding anything contained in the Articles of Association of the Company, the Company do adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and / or other ways as may be prescribed by the Central Government from time to time in respect of such business that can be transacted by the Company in general meeting and particularly, resolutions relating to such business as the Central Government, may by notification, declare to be conducted only by postal ballot."

#### **SPECIAL NOTICE**

76. Special notice, in accordance with Section 190 of the Act shall be required to be given for the passing of the following resolutions:-
- (i) For the removal of any Director.
  - (ii) For the appointment of an Auditor other than a retiring auditor.
  - (iii) That a retiring auditor shall not be re-appointed.

#### **ORDINARY RESOLUTION**

77. A resolution shall be an Ordinary Resolution when at a general meeting of which notice under the Act has been duly given, the votes cast in favour of the resolution (including the casting vote of the chairman) by member entitled to vote exceed the votes, if any, cast against the resolution by member so entitled and voting.

#### **SPECIAL RESOLUTION**

78. A resolution shall be a Special Resolution when 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 and the notice has been duly given of the general meeting and where the vote cast in favour of the resolution by the members entitled to vote are not less than three times the number of votes, if any, cast against the resolution.
79. A declaration by the Chairman that a resolution has or has not been carried or

\* Inserted vide Special Resolution Passed at the AGM held on 30/3/2002.

has or has not been carried 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 of proportion of the votes cast in favour of or against such resolution.

#### VOTES OF MEMBERS

80. Subject to the provisions contained in Section 87 of the Act, every member of the Company shall have the right to vote on every resolution placed before the company at any meeting, provided that, on a show of hands, the member must be personally present. On a show of hands, every member present in person shall have one vote. His voting right on a poll shall be as regulated in section 87 of the Act.
81. In the case of joint holders the vote of the senior holder who tenders the vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint members, the seniority being determined by the order in which the names of the shareholders appear in the Register of the Company.
82. 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 its committee or other legal guardian and any such committee or guardian may, on a poll vote by proxy.
83. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of the share in the Company have been paid prior to the date of the meeting.
84. In every notice calling a meeting of the Company it shall be stated with reasonable prominence that a member entitled to attend and vote at the meeting can appoint a proxy and that the proxy need not be a member.
85. Voting by proxy shall be permitted, provided a proxy in the prescribed form duly signed by the person entitled to attend and vote at the meeting is filed with the Company at its Registered Office not later than 48 hours before the meeting.
86. Where a body corporate which is a member or creditor (including holders of debentures) of the company authorises any person to act as its representative at the meeting of the members or creditors of the Company, or of any class of them as the case may be, a copy of the resolution of the Board of Directors or other governing body authorising such person to act as its representative at the meeting and certified to be a true copy by a Director, the secretary or other authorised officer of such body corporate shall be lodged with the Company at its Registered Office not later than 48 hours before the meeting.
87. No person who is a minor shall be appointed as a general or special proxy.
88. An instrument appointing a proxy shall be in the following form or in any other usual form as prescribed in Schedule IX to the Act or as near thereto as circumstances permits which the Board may approve.



## KHANDWALA SECURITIES LIMITED

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a member/members of the above  
named \_\_\_\_\_ Company hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_ or failing  
him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for  
me/us on my/our behalf at the annual general meeting/general meeting  
(not being an annual general meeting) of the Company to be held on the  
\_\_\_\_\_ day of \_\_\_\_\_ and at any adjournment thereof.  
Signed this \_\_\_\_\_ day of \_\_\_\_\_.

### INTEREST OUT OF CAPITAL

89. Where any shares are issued for the purposes of raising money to defray the expenses of the construction of any works or building or provisions of any plant which cannot be made profitable for a lengthened 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 subject to the conditions and restrictions provided by Section 208 of the said Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant.

### DIRECTORS

90. Until otherwise determined by a general meeting, the number of Directors shall not be less than 3 and not more than 12.
91. The first Directors of the Company will be :
1. MR. ASHOK J. KHANDWALA
  2. MR. PARESH J. KHANDWALA
  3. MR. SAMIR S. DOSHI
92. No share qualification shall be required for any Director.
93. In the event of the Company raising any loan from any Financial Corporations, Institutions, bodies or Investment Corporation such institutions shall, till the loan granted by the said Institutions is completely discharged, be entitled from time to time to nominate any ex-officio Directors, on such terms and conditions as approved by the Board and such Director shall not be liable to retire by rotation or be required to hold the share qualification. Such Director shall continue to hold office until he is removed by such institutions.
94. 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), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Bank of India (IRBI) Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited

(OIC), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UII), or a State Financial corporation or any Financial Institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or a State Government by themselves (each of the above is hereinafter in this Article referred to as "The Corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Share in the Company as a result of underwriting or by director subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director, or Directors, whole-time or non-whole time (which Directors, or Directors is/are hereinafter 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 aforesaid right to appoint whole-time Directors shall be exercised by the Corporation only in the event of the Company committing default in the observance of the terms and conditions of the loans agreements between the continued for a period of 30 days after notice in writing thereof shall have been given to the Company by the Corporation.

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

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Share in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantees 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 are repaid or the Corporation ceases to hold Debentures/Share in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s 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 notices 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, moneys or remuneration in any forms is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relating to such Nominee Director/s shall accrue to the Corporate and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or 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 fees, 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 also that in the event of the Nominee Director/s being appointed as whole time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees commission and moneys as may be approved by the Corporation.

95. Subject to the provisions of Section 310 of the Companies Act, 1956 the Directors including any ex-officio Directors shall be paid a sitting fee for every meeting of the Directors or of any committee of the Directors attended by them, such sum as may be determined by the Board.

In addition to remuneration payable to the Director as above stated, the Directors may be paid all traveling, hotel and other expenses properly incurred by them;

- (a) in attending and returning from the meeting of the Board of Director or any committee there of or general meeting of the company; and/or
  - (b) in connection with the business of the Company.
- 95A\* (1) The maximum remuneration of a Director for his services shall be such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors attended by him. Subject to the limitation provided by the act such additional remuneration as may be fixed by the Directors, may be paid to any one or more of the Directors for services rendered by him or them and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine and in default of such determination within the year divided equally. Such remuneration and/or additional remuneration may be by way of salary or commission on dividends, profits or turnover or by participation in profits or by any or all of those modes:
- Provided that any commission on profits or turnover or any participation in profits of the Company shall not exceed in the aggregate the equivalent of 3 per cent (or 1 per cent, as the case may be) of the net profits of the Company as defined in Section 349 of the Act.
- (2) The Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these Articles, and may pay the sum.
  - (3) If any Director, being willing, shall be called upon to perform extra services, or to make any special exertions in going or residing out or otherwise for any of the purposes of the Company, the Company shall subject to such limit as aforesaid remunerate such Director either by a fixed sum or by a percentage of profits as defined under Section 349 of the Act or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.
96. The Board shall have power at any time and from time to time to appoint a person as an additional Director, provided that the number of the Directors and additional

Director together shall not exceed the maximum number fixed under Article 90. Any person appointed as an additional Director under this Article shall hold office until the next following general meeting. The additional Director shall be eligible for appointed as a Director and be elected as such at the next following general meeting.

97. No body corporate, association or a firm shall be appointed as a Director of the Company.
98. If the office of any Director appointed by the Company in general meeting is vacated before his term of office will expire in the normal course, the resulting casual vacancy may be filled by the Board of Directors and any person so appointed shall hold office only upto the date upto which the Director in whose place he was appointed, would have held office, if it had not been vacated as aforesaid.
99. The Board of Directors may appoint an alternate Director to act for a Director hereinafter called the original Director, during the latter's absence for a period of not less than three months from the State in which meetings of the Board are normally held. An alternate Director appointed under the clause, need not be a member of the Company and shall not be require to obtain any qualification shares. Any alternate Director appointed under this clause shall vacate office if and when the original Director returns to the state in which the meetings of the Board are ordinarily held. If the term of office of the original Director is determined before he so returns to the state aforesaid, any provision for the automatic reappointment of retiring Directors in default of another appointed shall apply to the original and not to the alternate Director.
100. Subject to the provisions of Section 283 of the Act, the office of a Director shall be vacated if :
  - (a) he fails to obtain his qualification shares if any required to be obtained within two months from the date of his appointment as Director'
  - (b) after acquiring the qualification shares he parts with his interests therein or ceases to hold the share qualification specified in these Articles.
  - (c) he is found to be unsound mind by a court of competent jurisdiction;
  - (d) he applies to be adjudicated an insolvent'
  - (e) he is adjudged insolvent;
  - (f) he is convicted by a court in India of any offense and is sentenced in respect thereof to imprisonment for not less than six months.
  - (g) he fails to pay any call in respect of share of Company held by him alone or jointly with others, within six months from the last date fixed for the payment of the call.
  - (h) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
  - (i) he or any form in which he is a partner or any Private Company of which he is a Director, accepts a loan or any guarantee or security for loan from the Company in contravention of Section 295 of the Act;
  - (j) he acts in contravention of Section 299 of the Act;
  - (k) he is disqualified under Section 203 of the Act;
  - (l) he is removed in pursuance of Section 284 of the Act.
101. Any assignment of his office by a Director shall be void.
102. (1) Save as otherwise provided in sub-clause (2) the Company (hereinafter in this clause referred to as "the lending Company") shall not without obtaining the previous approval of the Central Government in that behalf, make any loan to,

\* Inserted vide Special Resolution Passed at the AGM held on 30/3/2002.

or give guarantee or provide any security in connection with a loan made by any other person to, or to any other person by :

- (a) any Director of the lending Company or of a Company which is its holding Company or any partner or (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, or Manager whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any Director or Directors, of the lending Company.
- (2) Sub-clause (1) shall not apply to any loan made, guarantee given or security provided to its subsidiary.

103(1) Except with the consent of the Board of Directors of the Company a Director of the Company or his relative, or a firm in which such a Director or his relative is a partner or any other partner in such a firm or a private Company of which the Director is a member or Director, shall not enter into any contracts with the Company:-

- (a) for the sale, purchase or supply of any goods, material or services; or
  - (b) after the commencement of the Act, for underwriting the subscription of any Shares in, or Debentures of the Company.
- (2) Nothing contained in clause (a) of sub-clause (1) shall affect (i) any contract or contracts for the sale, purchase or supply of any goods, materials, or services in which either the Company or the Director or his relative, firm, partner or private Company as aforesaid as the case may be, regularly trades or does business, provided that the value of such goods and material and the cost of such services do not exceed five thousand rupees in the aggregate in any calendar year comprised in the period of the contract or contracts and (ii) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any director, relative, firm, partner or Private Company as aforesaid for cash at prevailing market prices.
- (3) The consent of the Board required by sub-clause (1) shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded :
- (a) by a resolution passed at a meeting of the Board, and
  - (b) before the contract is entered into, or within two months of the date on which it was entered into.
- (4) Where such consent is not accorded to the contract before it is entered into, anything done in pursuance of the contract shall, if such consent is ultimately

not accorded, be voidable at the option of the Board.

104. No Director or other persons mentioned in Section 314 of the Act shall without the previous consent of the Company accorded by a Special Resolution hold an office or place of profit under the Company or any subsidiary of the Company except as provided in the said section.
105. Subject to the restrictions imposed by Articles 205, 206, and 207 and Sections 292 to 294, 297, 299, 314, 356 to 360, 369, 370 and 372 of the Act and the observance and fulfilment thereof, no Directors shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker, muccadam, or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or for the fiduciary relation thereby established, but the nature of his interest must be disclosed in accordance with and in the clause mentioned in the said Articles or said Sections.
- 106(1) Every Director (including a person deemed to be a Director by virtue of the explanation to sub-section (1) of Section 303 of the Act, Manager or Secretary of the Company, who is appointed to the office of Director, Managing Director, Manager, or Secretary of any other body corporate shall, within twenty days of his appointment, disclose to the Company the aforesaid 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.
- (2) Every Director of a Company and every person deemed to be a 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, within one week.
- 107(1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interestd in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Director.
- (2) (a) In the case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) above shall be made at the meeting of the Board at which the question of entering into the Contract or arrangement is first taken into consideration or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.
- (b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director

becomes concerned or interested in the contract or arrangement.

- (3) (a) For the purpose of clause (1) and (2) above a general notice in writing given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, 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 periods of one financial year by a fresh notice in writing given in the last month of the financial year in which it would otherwise have expired.
- (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.

108(1) No Director of the Company shall, as a Director, take any part in the discussion of, or vote on, any contract or arrangement entered into or to be entered into, by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote his vote shall be void.

(2) Clause (1) shall not apply to -

- (a) any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company;
- (b) any contract or arrangement entered into or to be entered into with a public company, or a private company which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely in his being a Director of such Company and the holder of not more than shares of such number or a value therein is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company.

#### ROTATION OF DIRECTORS

109. Mr. Paresh J. Khandwala and Mr. Samir S. Doshi shall be non-rotational/permanent Directors and they are entitled to appoint any other person as non-rotational/permanent Directors in their place or otherwise subject to the provisions of the Act. Two-third of the total number of Directors in office shall be persons whose period of office is liable to determination by retirement of Directors by rotation and shall be appointed by the Company in general meeting. The remaining one-third of the Directors other than Mr. Paresh J. Khandwala & Mr. Samir S. Doshi may be appointed by the Board for such period as the Board may determine.

110. At the first annual general meeting of the Company, two-third of the total number of Directors in office shall retire from office and their places shall be filled up by the Company at the first annual general meeting. The Directors so retiring shall be eligible to stand for re-election or re-appointment.
111. At the next annual general meeting of the Company and at every subsequent annual general meeting, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
112. 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 among themselves, be determined by lot.
113. 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.
114. Any person other than a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some member intending to propose him has, not less than 14 days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be.
115. The Company at its general meeting may, by ordinary resolution increase or reduce the number of Directors within the limits fixed in that behalf by its Articles.
116. The Company may, by ordinary resolution, remove a Director before the expiry of his period of office and appoint another person in his place. Special notice, however, should be required of any resolution to remove a Director or to appoint somebody in the stead of a Director so removed and comply with the requirements laid down in Section 284 of the Act.

#### POWERS OF BOARD

117. In accordance with Section 292 of the Act and subject to the restrictions laid in Section 293 and other provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do, PROVIDED that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made



by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

118. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers; that is to say.
- (a) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereat under the provisions of Section 76 and 208 of the Act.
  - (b) Subject to Sections 293, 297, and 360 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price of consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
  - (c) At their discretion and subject to the provisions of the Act 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, mortgages or other securities of the Company and any such shares may be issued either as fully paid or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled calls or not so charged.
  - (d) To secure the fulfilment of any contracts, agreements or engagements into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital, for the time being, or in such manner as they may think fit.
  - (e) To accept from any member, so far as may be permissible by law a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
  - (f) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
  - (g) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any Company, and to refer any claims or demands by or against the Company or any differences to arbitration, and to observe and perform any awards made thereon.

- h) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- (i) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- (j) Subject to the provisions of Section 77, 292, 293(2), 295, 369, 370 and 372 of the Act, to invest and deal with any money to the Company not immediately required for the purposes thereof, upon such security (not being shares of this Company), or without security, and in such manner as they may think fit and from time to time to vary or release such investment. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (k) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future as they think fit and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements) as shall be agreed upon.
- (l) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptance, endorsements, cheques, dividend warrants, releases, contracts and documents, and to give the necessary authority for such purpose.
- (m) To distribute by way of bonus among the staff of the Company a share in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.
- (n) To provide for the welfare of Directors or Ex-Directors or the employees or ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trust and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board of Directors shall think fit and to subscribe or contribute or otherwise assist or to guarantee money to charitable, benevolent, religious, scientific, political, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation, or of public and general utility or otherwise.
- (o) Before recommending any dividend, to set aside, out of the profits of the

Company such sums as reserves and/or funds as they may think proper for depreciation or Insurance or General Reserve or sinking fund or any special fund or reserve to meet contingencies or to repay debentures or debenture stock, or for special dividends or for equalising dividend or for repairing, improving, extending and maintaining any of the properties of the Company, and for such other purposes (including the purposes referred to in the preceding clause), as the Board of Directors may, in that absolute discretion, think conducive to the interest of the Company and subject to the Section 292 of the Act, invest the several sums so set aside or so much investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend, all or any part thereof, for the benefit of the Company, in such manner and for such purposes as the Board Directors, in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board of Directors, apply or upon which they expend the same, or any part thereof, may be matters or upon which the capital moneys of the Company might rightly be applied or expended, and to divided the Reserve Fund into such special funds and the Board of directors may think fit and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock and that without being bound to kepp the same separate from the other assets, and without being bound to pay interest on the same, with power however to the Board of Directors, at their discretion, to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper, not exceeding nine percent per annum.

- (p) From time to time to make vary and repeal bye-laws for the regulation of the business of the Company, its Officers and Servants.
- (q) To appoint, and at their discretion remove or suspend such managers, secretaries, officers, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may, from time to time, think fit and to determine their powers and duties, and fix their salaries emoluments or remuneration and to require Security in such instance and to such amount as they may think fit. And also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in three next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (r) To company with the requirements of any local law which in their opinion it shall in the interests of the Company be necessary or expedient to comply with.
- (s) From time to time and at any time, to establish any Advisory, Management

or Local Boards, for managing, supervising and conducting any of the affairs, of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Boards or any managers or agents and to fix their remuneration and/or to reimburse them for actual expenses incurred in the performance of their duties.

- (t) Subject to the Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions from the time being vested in the Board of Directors other than their power to make calls or loans or to borrow money and to authorise the members, for the time being, of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board of Directors may think fit and the Board of Directors may at any time remove any person so appointed, and may annual or vary any such delegation.
- (u) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents and excluding the power to make calls and excluding also, except in their limits authorised by the Board of Directors may; from time to time, think fit and any such appointment may (if the Board of Directors think fit) be made in favour of the members or any of the members of any Local Board established as aforesaid or in favour of any Company, or the shareholder, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Board of directors and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorney as the Board of Directors may think fit and may contain powers enabling any such Delegates or Attorneys as aforesaid to sub-delegate all of any of the powers, authorities and discretions for the time being vested in them.
- (v) Subject to section 294, 297 and 299 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf, of the Company as they may consider expedient for or in relation to, any of the matters aforesaid or otherwise for the purposes of the Company.

#### PROCEEDINGS OF DIRECTORS

119. A meeting of the Board of Directors shall be held at least once in every three months and at least 4 such meetings shall be held in a year. The Directors may

meet together for the despatch of business, adjourn and otherwise regulate their meeting and proceeding, as they think fit, and may determine the quorum necessary for the transaction of business.

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

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

Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested shall be the quorum such time.

The expressions "total strength" and "interested Director" shall have the meanings given in Section 287 (1) of the Act.

122 (a) If a meetings of the Board could not be held for want of a quorum then the meetings shall automatically 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.

(b) The provisions of Article 191 shall not be deemed to have been contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms of that Article could not be held for want of a quorum.

123. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by law or under the Articles and regulations for the time being vested in or exercisable by the Directors generally.

124. A Director may, at any time, and the Managing Agents, if any, upon the requisition of a Director, shall convene a meeting of the Directors.

125. Questions arising at any meeting of the Directors shall be decided by a majority of votes, and in case of an equality of votes, the Chairman thereat shall have a second or casting vote.

126. The Directors may elect a Chairman of their meetings, and determine the period for which he is to hold office, and unless otherwise determined the Chairman shall be elected annually. If no Chairman is elected, or if at any meeting the Chairman is not present within five minutes of the time appointed for holding the sme, or is unwilling to preside, the Directors present may choose one of their members to be the Chairman of such meetings.

127. Subject to the provisions of Section 292 of the said Act, the Directors may delegate any of their powers, other than the powers to borrow and to make

calls, to issue debentures and any other powers which by reason of the provisions of the said Act cannot be delegated, to committees consisting of such member or members of their body as they may think fit, and they may from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes. Every Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors, and all acts done by any such Committee in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect as if done by the Board.

128. The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors, so far the same are applicable thereto, and are not superseded by the express terms of the appointment of any such Committee, or by any regulations made by the Directors.
129. A resolution not being a resolution required by the said Act or these Articles to be passed at a meeting of the Directors, may be passed without any meeting of the Directors or of a Committee of Directors provided that the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Director or members of the Committee at their usual address in India, and has been approved by such of the Directors as are then in India, or by a majority of such of them as are entitled to vote on the resolution.
130. All acts done by a person as a Director shall be valid, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in the said Act or in these Articles. Provided that this Article shall not give validity to acts done by a Directors after his appointment has been shown to the Company to be invalid or to have terminated.

#### MINUTES

131. The Directors shall cause Minutes to be duly entered in separate Minutes Book provided for the purposes of recording:
  - (a) the names of the Directors and alternate Directors present at each Meeting of the Directors and of any Committee of Directors, all appointments of Officers and Committees of Directors, all orders made by the Directors and Committees of Directors, and all Resolutions and proceedings of the Directors and Committees of Directors.
  - (b) all Resolutions and proceedings of General Meetings of the Shareholders.

And any such Minutes of any Meeting of the Directors or of any Committee or of the Company, if purporting to be signed by the Chairman of such Meeting or by the Chairman of the next succeeding Meeting, shall be receivable as prima facie evidence of the matters stated in such Minutes.

#### COMMON SEAL

132. The Board shall provide a Common Seal of the Company for the use both inside the Union of India and outside and the Board shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Common Seal for use in the Union of India shall be kept at the Registered Office of the Company.
133. Every deed or other instrument to which the Common Seal of the Company is required to be affixed shall, unless the deed or instrument is executed by duly constituted Attorneys of the Company, be signed by one Director at least in whose presence the seal shall have been affixed, and countersigned by another Director, Secretary or such other person as may, from time to time, be authorised by the Board. Provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularities touching the authority to issue the same.
134. The Company may exercise the power conferred by Section 50 of the Companies Act, 1956 with regard to having an official Seal for use abroad and such power shall be vested with the Board.
135. The business of the Company shall, subject to the supervision, control and directions of the Board to be carried on and be managed by one or more Managing Directors to be appointed in accordance with the provisions of these Articles.

#### MANAGING DIRECTOR

136. Subject to the provisions of Sections 267, 268, 269, 309, 310, 311, 316, and 317 of the Act, the Directors may from time to time appoint one or more of their body to be Managing Director, Joint Managing Director, Managing Directors, or whole-time Directors, of the Company either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office but in any case not exceeding five years at a time and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.
137. A Managing Director, Joint Managing Director or whole-time Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Director or the number of Directors to retire but he shall, subject to the terms of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause he shall ipso facto and immediately cease to be a Managing Director and a whole-time Director.

138. Managing Director/Managing Directors shall be paid such remuneration as the Company in General Meeting shall determine and may be by way of salary or commission or participation in profits or by any or all of those modes or in any other forms and shall be subject to the limitations prescribed in Section 198 and 309 of the Act.
139. Subject to the restrictions contained in the next succeeding Article, the Directors may from time to time entrust to and confer upon a Managing Director, Joint Managing Director and whole-time Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers, unless and until otherwise determined, a Managing Director may exercise all the powers exercisable by the Directors, save such powers as by the Act or by these Articles shall be exercisable by the Directors, save such powers as by the Act or by these Articles shall be exercisable by the Director themselves.
140. The Company shall not appoint or employ, or continue the appointment or employment of any person as its Managing or whole-time Director who -
- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent.
  - (b) suspends or has at any time suspended payment to his creditors, or makes, or has at any time made a composition with them; or
  - (c) is or has at any time been convicted by a Court in India of an offence involving moral turpitude.

#### **SECRETARY**

141. (a) The Directors may from time to time appoint and at their discretion remove, a person (hereinafter called "the Secretary") to keep the Registers required to be kept by the Company, to perform any other functions which by the said Act or by these Articles are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to the Secretary by the Directors.
- (b) The Directors may at any time appoint a temporary substitute for the Secretary who shall for the purpose of these Articles be deemed to be the Secretary.

#### **DIVIDENDS AND RESERVES**

142. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. No dividends shall be declared or paid except out of profits of the Company, after providing depreciation in



accordance with Section 205 of the Companies Act, 199956.

143. The Directors may, before recommending any dividend set aside out of the profits of the Company such sums as they think proper, as a reserve which shall, at the discretion of the Directors, be applicable for repayment of debentures, meeting contingencies or for equalising dividends, or for any other purpose to which the profits of the company may be properly applied and pending such application, may, at the like discretion either be employed in the business of the Company, or be invested in such investment (other than shares of the Company) as the Directors may from time to time think fit.
144. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends, shall be paid according to the amount paid-up on the shares. No amount paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share.
145. The Directors may, from time to time, pay to the member such interim dividends as appear to the Directors to be justified by the profits of the Company.
146. 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 shareholders entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special accounts in that behalf in any scheduled bank called "Unpaid Dividend of KHANDWALA SECURITIES 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.

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 shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board."

#### **CAPITALISATION OF RESERVES**

147. The Company in General Meeting may at any time and from time to time pass a Resolution that any sum not required for the time being standing to the credit of any reserve or reserve account of the Company including any sum carried to reserve as the result of a sale or revaluation of the assets of the Company or any part thereof or any premium received on the issue of any shares or debentures of the Company, or being undivided net profits in the hands of the Company, be capitalised and that such sum be appropriated as capital to and amongst the shareholders in the shares and proportions to which they would have been entitled thereto if the same had been distributed by way of dividend and thereto if the same had been distributed by way of dividends and in such manner as the resolution may direct and such Resolution shall be effective

and the Directors shall in accordance with such Resolution apply such sum in paying up in full any unissued shares in the Capital of the Company on behalf of the shareholders aforesaid, and appropriate such shares to, and distribute the same credited as fully paid-up amongst such shareholders in the proportions aforesaid in satisfaction of their shares and interests in the said capitalised sum, or shall apply such sum or any part thereof on behalf of the shareholders aforesaid in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued shares held by such shareholders or otherwise deal with such sum as directed by such Resolution, and when any difficulty arises in regard to the distribution, they may settle the same as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any specific assets in trustees upon such trust for the person entitled to the dividend as may seem expedient to the Directors. Where required, the Directors may appoint any person to sign any contract thereby required on behalf of the persons entitled to the dividend and such appointed shall be effective.

148. If several persons are registered as joint holders of any shares, any one of them may be given in effectual receipt for any dividend payable on the shares.
149. Notice of any dividend that may have been declared shall be given in the manner hereinafter mentioned, to the persons entitled to the shares therein mentioned and all dividend unclaimed for one year after having been declared may be diverted or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that there shall be no forfeiture or unclaimed dividends till the claim thereto becomes barred by law.
150. No dividend shall bear interest against the Company.

#### **ACCOUNTS**

151. The Directors shall cause to be kept proper books of accounts with respect to (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place; (b) all sales and purchases by the Company and (c) the assets and liabilities of the Company.
152. The books of accounts shall be kept at the Registered Office of the Company or at such other place as the Board shall decide and shall always be open to the inspection of the Board during business hours.
153. The Board shall, from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to

the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the Company in general meeting:

154. The Board shall cause the annual accounts and balance sheet to be prepared and laid before the Company in the General Meeting in accordance with Section 210 and 211 of the Act.
155. There shall be attached to every balance sheet the report of the Board in compliance with the Section 217 of the A A copy of every balance sheet including the profit and loss account, the auditors' report and every document required by law to be annexed or attached to the balance sheet shall be sent to every member of the Company and to all other persons entitled to receive the same under the Act not less than 21 days before the date of the meeting.

#### **AUDITORS**

156. The Company shall, at each annual general meeting, appoint an auditor or auditors to hold office until the next annual general meeting.
157. The Board may fill any casual vacancy in the office of auditor but while any such vacancy continue, the surviving or continuing auditor or auditors, if any, may act.
158. The remuneration of the auditors shall be fixed by the Company in general meeting except that the remuneration of any auditors appointed to fill up any casual vacancy may be fixed by the Board.
159. The auditors shall be appointed and their duties regulated in accordance with sections 224 to 229 of the Act or any statutory modification thereof for the time being in force.s

#### **NOTICES AND SERVICE OF DOCUMENTS**

160. (a) Subject to the provisions contained in Section 53 of the Companies Act, 1956, as amended, a notice may be given by the Company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in the Indian Union) to the address, if any within the Indian Union supplied by him to the Company for giving of notices to him. Notice to be served by leaving the same at the Registered Office of the Company.  
  
(b) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and unless the contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary course of post.
161. If a member has no registered address within India and has not supplied to the Company any address within India for the giving of notices to him, a notice address to him and advertised in a newspaper circulating in the neighbourhood

of the Registered office of the Company shall be deemed to be notice duly given to him on the day on which advertisement appear.

162. A notice may be given by the Company to the joint holders of a share by giving it to the joint holder named first in the register in respect of the share.
163. A notice may be given by the Company to the person entitled to the share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased or assignees of the insolvent or by any like description, at the address (if any) in India supplied for the purpose of the persons claiming to be so entitled (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
164. Notice of every general meeting shall be given in same manner hereinbefore authorised to (a) every member of the Company except those members, who having no registered address within India have not supplied to the Company an address within India for the purpose of giving notices to them and also to (b) every person entitled to a share in consequence of the death or insolvency of member who, but for his death or insolvency, would be entitled to received notice of the meeting.

#### **INDEMNITY**

165. Subject to the provisions of Section 201 of the Act, every Director, Manger and other officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of Directors out of the fund of the Company to pay, all losses and expenses which any such officer or servant may incur or become liable to be reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, Officer or servant in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or he is acquitted or in connection with any application under Section 633 of the Act in which such indemnity is provided shall immediately attach as a lien on the property of the Company.

#### **SECRECY CLAUSE**

166. No member shall be entitled to visit or inspect any works/establishments 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 is or may be in the nature of a trade secret, mystery or trade or secret process or any other matter which may relate to the conduct of the business of the Company and which, in the opinon of the Directors it would be inexpedient in the interest of the Company to disclose.

## WINDING UP

167. If the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital or capital deemed to be paid up 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 deemed to be paid-up at the commencement of the winding up, on the shares held by them respectively; and if in a winding up the assets available for distribution amongst 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 paid-up or deemed to be paid-up at the commencement of the winding up on the shares held by them respectively. Where capital is paid-up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall be excluded and shall repayable in full before any distribution is made on the paid-up capital or capital deemed to be paid-up together with interest at the rate agreed upon. The provisions of this Article shall be subject to any special rights or liabilities attached to any special class of shares forming part of the capital of the Company.
168. The liquidators may, with the sanction of a special resolution divide amongst the members in specie the whole or any part of the assets of the Company.

## ALTERATION IN ARTICLES OF ASSOCIATION

169. The Company may from time to time alter, add to, amend or delete any of the existing clause(s) of the Articles of Association of the Company or may add a new clause(s) thereto or adopt a new set of articles in accordance with the provisions of the Companies Act, 1956.
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## **KHANDWALA SECURITIES LIMITED**

Special Resolution Passed at the Extraordinary General Meeting of the Company held on February 26, 2000.

Existing Clause V of the Articles be substituted by the following clause V:

The Authorised Share Capital of the Company is Rs.19,00,00,000/- (Rupees Nineteen Crores Only) divided into 120,00,000 (One Crore Twenty Lakhs Only) equity shares of Rs.10/- (Rupees Ten Only) each and 7,00,000 (Seven Lakhs Only) Redeemable Cumulative Preference Shares of Rs.100/- (Rupees Hundred Only) each within the rights, privileges and conditions, attaching thereto as are provided by the Articles of Association of the Company for the time being, with the power to divide the share in the capital of the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or statutory modification thereof or provided by the Articles of Association of the Company for the time being.

Existing Article 3 be substituted by the new Article 3

The Authorised Share Capital of the Company is Rs.19,00,00,000/- (Rupees Nineteen Crores Only) divided into 120,00,000 (One Crore Twenty Lakhs Only) equity shares of Rs.10/- (Rupees Ten Only) each and 7,00,000 (Seven Lakhs Only) Redeemable Cumulative Preference Shares of Rs.100/- (Rupees Hundred Only ) each.

The following article be inserted after the existing Article 11 and be numbered as 11 (a)

- 11(a) The Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any Shares or other securities or whose name appear as the Beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof.

The following article be inserted after the existing Article 12(a) and be numbered as 12(b), 12(c), 12(d), 12(e), 12(f), 12(g), 12(h), 12(i) and 12(j)

- 12(b) The Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any Shares or other securities or whosename appear as the Beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof,
- 12(c) Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to Depositories Act and the rules and regulations framed thereunder:
- 12(d) Option to received security certificates or hold securities with depository.
- (1) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.
  - (2) Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter it its record the name of the allottee as the beneficial owner of that security.

12(e) Securities in depositories to be in fungible form.

- (1) All securities held by a depository shall be dematerialised and shall be in fungible form.
- (2) Nothing contained in sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

12(f) Rights of depositories and Beneficial owners.

- (1) Notwithstanding anything to the contrary contained in the Articles or in any other law for the time being in force, a depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of a beneficial owners.
- (2) Save as otherwise provided in clause (1) above, the depository as registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (3) Every person holding securities of the Company whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a depository.

12(g) Depository to furnish information.

Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners as such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

12(h) Option to opt out in respect of any security.

- (1) If a beneficial owner seeks to opt out of a depository in respect of any security, he shall inform the depository, accordingly.
- (2) The depository shall on receipt of such intimation make appropriate entries in its records and shall inform the Company.
- (3) The Company shall within thirty days for the receipt of such intimation from a depository and on fulfillment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner or the transferee, as the case may be.

12(i) Section 83 of the Act not to apply.

- (1) Notwithstanding anything to the contrary contained in the Articles Section 83 of the Act shall not apply to securities held with a depository.
- (2) Nothing contained in the Act or these Articles regarding the necessity of having distinctive number for securities issued by the Company shall apply to securities held in a depository.

12(j) Notwithstanding anything in the Act or these articles to contrary where securities are held in a depository, the records of beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.



The following article be inserted after the existing Article 13 and be numbered as 13(a).

13(a) The Company in General Meeting may subject to applicable laws / regulations sub-divide its fully paid Equity Shares into such smaller amount as the members may in General Meeting agree.

The following article be inserted after the existing Article 37 and be numbered as 37(a).

37(a) Nothing contained in section 108 of the Act, shall apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owner in the records of the Company.

The following article be inserted after the existing Article 44 and be numbered as 44(a).

44(a) Notwithstanding anything contained in Articles 21, 38 and 39 or any other law for the time being in force, where a nomination has been made in the manner prescribed in Section 109A of the Companies Act, 1956, purporting to confer on any person the right to vest the shares in, or debentures of, the Company, the nominee shall, on the death of the shareholders or holder of debentures of the Company, or as the case may be, on the death of the joint holders, become entitled to all the rights in the shares or debentures of the Company as the case maybe, in relation to such shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner and the provisions contained in Sections 109A and 109B of the Companies Act, 1956 shall be applicable to such cases.

In Article 2 under the heading "INTERPRETATION CLAUSE" the following definitions be inserted at the appropriate places in the alphabetical order.

"Beneficial Owner" means a person whose name is recorded as such with a depository

.SEBI Board

"SEBI Board " means the Securities and Exchange board of India.

Bye-Laws

"Bye-laws" made by a depository under Section 26 of the Depositories Act, 1996.

Depositories Act

"Depositories Act" means the Depositories Act, 1996, including any statutory modification or re-enactment thereof for the time being in force;

Record

"Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by Regulations;

Register and Index of beneficial owners

Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act shall be deemed to be the Register and index of Members for the purposes of the Act and these Articles;

Regulations

"Regulations means the regulations made by the SEBI Board;

"Security" means share, debentures and such other security as may be specified by the SEBI Board from time to time.

## KHANDWALA SECURITIES LIMITED

Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 11 th March 1996.

- I. "RESOLVED THAT the Articles of Association of the Company be and hereby amended in the manner set out below ;
  - A. Existing Articles 4 of Articles of Association of the Company be substituted by the new article 4.

### New Article 4 :

4. 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 the compliance with the provisions of Section 79 of the Act ) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if 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 the sanction of the Company in the General Meeting.
  - B. Existing Article 6 of Articles of Association of the Company be substituted by the new Article 6.

### New Article 6 :

- (1) Where at the 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 the unissued capital or out of the increased share capital then.
  - (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid up on those shares at the date.
  - (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.

- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. 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.
  - (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.
- (2) 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 persons 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 the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, 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.
- (3) 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 authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) 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 loan 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.
- C. New Article 12A, be inserted after existing Article 12 of Articles of Association of the Company.

New Article 12A :

12A. 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.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

- D. The word "two months" be substituted by word "one month" in line No.2 of existing Article 20.
- E. New Article 20A, be inserted after existing Article 20 of Articles of Association of the Company.

New Article 20A :

A) If any certificate be worn out, defaced, mutilated or torn or 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 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 the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contract (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

- F. Existing Article 22 of Articles of Association of the Company be substituted by the new Article 22.

New Article 22 :

22. The Company shall have a first and paramount lien upon all the shares/debenture (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause."

- G. Existing Article 33 of Articles of Association of the Company be substituted by the New Article 33.

33. 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 sum whole or any part of the moneys 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, as 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.

The members shall not 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.

- H. Existing Article 37 of Articles of Association of the Company be substituted by the new Article 37.

New Article 37 :

37. Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline 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, the 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 transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

- I. Existing Article 146 of Articles of Association of the Company be substituted by the new Article 146.

New Article 146 :

146. 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 shareholders entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special accounts in that behalf in any scheduled bank called "Unpaid Dividend of KHANDWALA SECURITIES 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.

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 shareholders to whom the money is due.

"No unclaimed or unpaid dividend shall be forfeited by the Board."

- II. "RESOLVED THAT pursuant to the provisions of section 163 of the Companies Act, 1956, the Company hereby approves that the Register of Members, the Index of Members, Register of Share Transfers, the Register and Index of debenture-holders and copies of all Annual Returns prepared under section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under section 161 of the Act or any one or more of them, be kept at the Office of Karvy Consultants Limited, proposed Registrar & Share Transfer Agents to the Company having their office at 7, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), instead of being kept at the Registered Office of the Company situated at 163A, Mittal Court, Nariman Point, Mumbai - 400 021, with effect from the date to be fixed and notified by the Board of Directors of the Company."

Special Resolution passed at the Extra Ordinary General Meeting Of the Company Held On December 01, 2003 At Registered Office of the Company.

**“RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of members of the Company in Extraordinary General Meeting the existing Article 3 of the Articles of Association of the Company be deleted and be substituted by the following new Article 3 :

The Authorised Share Capital of the Company is Rs. 22,50,00,000/- (Rupees Twenty Two Crores Fifty Lakhs Only) divided into 1,40,00,000 (One Crore Forty Lakhs Only) equity shares of Rs. 10/- (Rupees Ten Only) each and 4,50,000 (Four Lakhs Fifty Thousand only) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees Hundred Only) each and 4,00,000 (Four Lakhs only) Cumulative Convertible Preference Shares of Rs. 100/- each (Rupees Hundred only) with the rights, privileges and conditions, attaching thereto as are provided by the Articles of Association of the Company for the time being, with the power to divide the share in the capital of the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or statutory modification thereof or provided by the Articles of Association of the Company for the time being.”

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