

# THE COMPANIES ACT, 2013

## A COMPANY LIMITED BY SHARES (Incorporated under The Indian Companies Act, 1913)

### ARTICLES OF ASSOCIATION OF HINDUSTAN MOTORS LIMITED

*[The following articles comprised in these Articles of Association were adopted pursuant to the resolution of the Members of Hindustan Motors Limited, passed at the Annual General Meeting of the Company held on ..... in substitution for, and to the entire exclusion of, the earlier articles comprised in the extant Articles of Association of the Company.]*

#### I. PRELIMINARY

1. Save as reproduced herein, the regulations contained in Table “F” in Schedule I to the Companies Act, 2013 or in the schedule to any previous act shall not apply to the Company.
2. The regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall, subject as aforesaid and to any exercise of statutory powers of the Company in reference to the repeal or alteration of or additions to its regulations by a Special Resolution as prescribed or permitted by the said Companies Act, 2013, be such as are contained in these articles.

#### II. INTERPRETATION

3. In the interpretation of these Articles, the following expressions shall have the followings meanings unless there be something in the subject or context inconsistent therewith:-
  - (i) “Act” means the Companies Act, 2013 and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force and the rules as framed and notified by the Central Government from time-to-time related to the provisions of the said Act as amended from time to time and also includes where the context so admits the reference to the

previous Companies Act, 1956 or The Indian Companies Act, 1913 for the applicable provisions of those Acts which have not been repealed so far or are in existence till date.

- (ii) “Beneficial owner” means a person or persons whose name is/are recorded as such with depository.
- (iii) “Board of Directors” or “Board” in relation to a Company means the collective body of the directors of the Company.
- (iv) “CFO” means the Chief Financial Officer for the time being of the Company or any other person discharging the function or functions of a Chief Financial Officer and designated or appointed as such or by any other names by the Board or any Committee of the Board.
- (v) “Committee” means a Committee of the Board duly constituted in the manner required under the Act
- (vi) “Company” means **‘HINDUSTAN MOTORS LIMITED’**.
- (vii) “Company Secretary” or “The Secretary” means any individual possessing the qualification prescribed for the time being by or under the Act or any rules made there under and appointed to perform the duties, which may be performed by the Company Secretary under the Act, and any other ministerial or administrative duties and includes deputy/assistant secretary or any person appointed to perform the duties of secretary temporarily fulfilling the criteria to be that of The Company Secretary.
- (viii) “Depository” means a Company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration to act as a depository under Section 12(1A) of the Securities & Exchange Board of India Act, 1992 and ‘Securities’ means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulations) Act, 1956.
- (ix) “Directors” means the Directors for the time being of the Company.
- (x) “Dividend” includes any interim dividend.
- (xi) “Financial Year” means the year ending on March 31 every year or the financial year as chosen by the Company in compliance with the provisions of the Act.
- (xii) “Key Managerial Personnel” means the personnel as specified vide Section 2(51) of the Act and rules related thereto.
- (xiii) “Manager” means the Manager for the time being of the Company.
- (xiv) “Managing Director” means the Managing Director(s) for the time being of the Company.
- (xv) “Office” means the Registered Office for the time being of the Company.

- (xvi) "Month" means a calendar month.
- (xvii) "Participant" means a person registered as such under Sub-Section (1A) of Section 12 of the Securities & Exchange Board of India Act, 1992 (15 of 1992).
- (xviii) "Proxy" includes Attorney duly constituted under a Power of Attorney.
- (xix) "Records" means and includes the records maintained in the forms of books or stored in a computer or in such other form as may be determined by Regulations.
- (xx) "Register" means the Register of members to be kept pursuant to the Act either in physical mode or on electronic mode.
- (xxi) "Register and Index of Beneficial owner" maintained by a depository under Section 11 of the Depository Act, 1996 shall be deemed to be the Register and Index of Members for the purpose of the Act and these Articles.
- (xxii) "Registrar" means the Registrar of Companies of the states in which the office is situated.
- (xxiii) "SEBI" means the Securities & Exchange Board of India.
- (xxiv) "Seal" means the Common Seal for the time being of the Company.
- (xxv) "Shareholder(s) or Members(s)" means the duly registered holder(s) from time to time of the shares of the Company and includes the subscriber(s) of the Memorandum of the Company and also every person holding equity shares and/or preference shares of Company as also one whose name is entered as beneficial owner in the records of Depositories.
- (xxvi) "Whole-time Director" means the Whole-time Director(s) for the time being of the Company.
- (xxvii) "Written" and "In Writing" include printing, lithography, computer modes and other modes of representing or reproducing words in a visible form.
- (xxviii) "Year" means calendar year

Words importing the Singular number only include the plural and "vice-versa".

Words importing the masculine gender only include the feminine gender.

Words importing persons include Corporations.

Unless the context otherwise requires words or expressions contained in these Article shall bear the same meaning as in the Act.

### III. SHARE CAPITAL AND VARIATION OF RIGHTS

4. The authorised share capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with these Articles and applicable law on that behalf with the powers to divide or subdivide the share capital: whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Articles of the Company and permitted by applicable law.
5. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act and, whether or not the Company is being wound up, be varied with 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 meeting of the holders of the shares of that class.
6. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
7. Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.
8.
  - (i) The Company may exercise the power of paying commission conferred by sub-section (6) of Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and the rules made there under.
  - (ii) The rate or amount of commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act.
  - (iii) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
9. Except as required by applicable law, no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

#### IV. FURTHER ISSUE OF SHARES

10. (i) If at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of unissued capital or 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 nearly as circumstances admit, to the capital paid up on those shares at that date;
  - (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time being not less than fifteen (15) days and not exceeding thirty (30) days from the date of the offer within which 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 him or any of 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 the 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 of them in such manner as they, in their sole discretion, think fit.
- (ii) Notwithstanding anything contained in sub-clause (1) hereof, 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 a general meeting, or
  - (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the chairman) by 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.
- (iii) 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.
- (iv) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares in the Company.

Provided that the terms of issue of such debentures or loan containing such an option, have been approved, before the issue of such debenture or the raising of loan, by a special resolution passed by the Company in general meeting.

## **V. SHARES AT THE DISPOSAL OF THE DIRECTORS**

- 11. Subject to the provisions of Section 62 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 and at such time as they may from time to time think fit and with 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.
- 12. Subject to the provisions of Sec. 53 of the Act, the Company may issue Sweat Equity Shares of a class of Shares already issued subject to the applicable conditions in this regard.

## **VI. CALL ON SHARES**

- 13. (i) The Board of Directors may, from time to time, make calls upon the members in respect of money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the condition of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the share or as may be decided by the Board or be payable at less than one month from the date fixed for the payment of the last preceding call. The calls on the shares of the same class issued on the same terms and conditions shall be on uniform basis.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment of the call money, pay to

the Company at the time or times and place so specified, the amount called on his shares.

- (iii) A call may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising the call was passed. Call money may be required to be paid by installments.
  15. The joint holders of a share shall be jointly and severally liable to pay all call in respect thereof.
  16.
    - (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at (10) ten percent per annum or at such lower rate, if any, as the Board of Directors may determine or at any rate of interest as may be decided by the Board.
    - (ii) The Board of Directors shall be at liberty to waive payment of any such interest wholly or in part.
  17.
    - (i) Any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall for purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
    - (ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

## **VII. PAYMENT IN ANTICIPATION OF CALL**

18. The Board of Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same, 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, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. 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.

## VIII. ALTERATION OF CAPITAL

19. The Company may, from time to time, by shareholders' resolution in accordance with the Act increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
20. Subject to the provisions of Section 61 of the Act, the Company may, by ordinary resolution:
  - (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
21. Where shares are converted into stock:
  - (i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles 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 of Directors may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (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.
  - (iii) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those Articles shall include "stock" and "stock-holder" respectively.
22. The Company may, by special resolution, reduce in any manner and with, and subject to, any condition as may be imposed and consent required by law:
  - (i) its share capital;
  - (ii) any capital redemption reserve account; or
  - (iii) any share premium account.

## IX. TRANSFER AND TRANSMISSION OF SHARES

23.
  - (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and the transferee and shall contain the detail of both the transferor and transferee as specified in the instrument of transfer
  - (ii) the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
  - (iii) each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his name and address therein.
24. A common form of transfer shall be used in case of transfer of shares.
25. The instrument of transfer of share shall be in writing and all provisions of Section 56 of the Act and Rules framed there under shall be duly complied with in respect of all transfers of shares and the registration thereof.
26. The Board of Directors, may decline to recognize any instrument of transfer unless the instrument is in the form as prescribed in Rules made under sub-section (1) of Section 56; the instrument is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.
27. On giving not less than seven days' previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers may be closed/suspended at such times and for such periods as the Board of Directors may from time to time determine, provided that such registration shall not be closed/suspended for more than thirty (30) days at any one time or for more than forty five (45) days in the aggregate in any year.
28.
  - (i) On the death of a member, the survivor or survivors where the member was a joint holder and his nominee or nominees or legal representative where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.
  - (ii) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
29.
  - (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board of Directors and, subject as hereinafter provided elect, either:
    - (a) to be registered himself as holder of the share; or
    - (b) to make such transfer of the shares as the deceased or insolvent member could have made.

- (ii) The Board of Directors shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.
- 30.
- (i) If the person so becoming entitled, shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a note in writing signed by him stating that he so elects.
  - (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of share.
  - (iii) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
31. Post recording of transfer or transmission or transposition of shares by the Company, the holder of the shares shall be entitled to the same dividends and other advantages to which he would be entitled if he was registered as a member in respect of the share and shall also be entitled to exercise any right conferred by membership against such shares in relation to meeting of the Company from the date of his becoming the member in the register of members of the company..

#### **X. REFUSE TO REGISTER TRANSFER**

32. Subject to the provision of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in-force, the Board of Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmissions by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date of which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmissions, as the case may be, giving reason for such refusal. Provided that the registration of a 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 where the Company has a lien on shares. Transfer of shares/debentures in whatever lot shall not be refused.

#### **XI. COMPANY'S LIEN ON SHARES / DEBENTURES**

33. (i) The Company shall have a first and paramount lien upon all the shares/debentures (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 share 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 Article.

- (ii) Fully paid-up share shall be free from all lien and in the case of partly paid-up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
34. The Company may sell, in such manner as the Board of Directors thinks fit, any share on which the Company has a lien, provided that no sale shall be made:
- (i) unless a sum in respect of which the lien exists is presently payable; or
  - (ii) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, have been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
35. (i) To give effect to any such sale, the Board of Directors may authorize some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.
  - (iii) The purchaser's title to the shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.
36. (i) The net proceeds of the sale shall be received by the Company and applied in payment of the whole or part of the amount in respect of which the lien exist as is presently payable.
- (ii) The residue, if any, shall, subject to lien for sums not presently payable as existed upon the shares as the date of sale, be paid to the person entitled to the shares at the date of the sale.

## **XII. LIMITATION OF TIME FOR ISSUE OF CERTIFICATES**

37. Every member shall be entitled, without payment, to one or more certificates for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine in accordance with the Rules relating thereto) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two (2) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as

the case may be. Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate and delivery of a certificate of shares to one (1) of several joint holders shall be sufficient delivery to all such holders.

### **XIII. NO FEE ON TRANSFER OR TRANSMISSION**

38. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

### **XIV. ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED**

39. (i) 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 is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or upon paying such fee as the Directors so determine in accordance with the Rules relating thereto, provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- (ii) 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 the Securities Contracts (Regulation) Act, 1956 or any other acts or rules applicable thereof in this behalf.
- (iii) The Board may refuse any application for sub-division/split/consolidation of a number of shares or of certificates for shares of the Company in to denomination other than those fixed for market lots of trading at Stock Exchanges except where such sub-division/split/consolidation is required to be made for compliance with any law or decree of court or listing requirements of Stock Exchanges where the Company's shares are or may be listed, provided nevertheless that the Board may at its discretion and in exceptional circumstances or for avoiding any hardship or for any just and sufficient cause (on each of which the Board's decision shall be final and conclusive) accept any application for sub-division/split/consolidation on number of shares or

certificates into denomination other than those fixed for market lot of trading at the Stock Exchanges.

- (iv) The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

## **XV. DEMATERIALISATION OF SECURITIES**

- 40. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.
  - (i) The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.
  - (ii) Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates for the securities. If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.
  - (iii) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Section 89 of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.
  - (iv)
    - (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the Beneficial Owner.
    - (b) Save as required by applicable law, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
    - (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a Depository and shall be deemed to be a member of the Company.
  - (v) Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a Depository, the records of the Beneficiary Ownership may be served by such Depository on the Company by means of any electronic or digital mode.

- (vi) Nothing contained in Section 56 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
- (vii) Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- (viii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
- (ix) The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the register and index of members and security holders for the purposes of these Articles.

## **XVI. FORFEITURE OF SHARES**

- 41. If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the Board of Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such default.
- 42. The notice aforesaid shall:
  - (i) name a day (not earlier than the expiry of 14 (fourteen) days from the date of service of notice) on or before which the payment required by the notice is to be made and a place or places on and at which such call or instalment and such interest and expenses aforesaid are to be paid; and
  - (ii) state that, in the event of non-payment on or before the day and the place so named, the shares in respect of which such call was made or instalment is payable, will be liable to be forfeited.
- 43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time, thereafter, before the payment as required by the notice has been made, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- 44.
  - (i) Any forfeited share shall be deemed to be the property of the Company and the forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors thinks fit.
  - (ii) At any time before a sale or disposal, as aforesaid, the Board of Directors may cancel the forfeiture on such terms as it thinks fit.

45. (i) A person whose shares have been forfeited shall cease to be member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payments in full of all such money in respect of the shares.
46. (i) A duly verified declaration in writing that the declarant is a director, the manager or the 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 persons claiming to be entitled to the share and such declaration and the receipt of the Company for the consideration if any, given for the share on any share shall constitute a good title to such share
- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share.
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
47. The provisions of these Articles as to forfeiture shall apply, in the case of non-payment of any sum which, by the terms of issue of the share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **XVII. BUY-BACK OF SHARES**

48. Notwithstanding anything contained in these Articles, but subject to the provisions of Sections 68 to 70 of the Act, and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

#### **XVIII. CAPITALISATION OF PROFITS**

49. (i) The Company in general meeting may, upon the recommendation of the Board of Directors resolve:
- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Profit and Loss Account, or otherwise available for distribution; and

- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
  - (ii) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards:
    - (a) paying up any amounts for the time being paid on any shares held by such members respectively;
    - (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the portions aforesaid;
    - (c) partly in the way specified in sub-clause (a) and partly in that is specified in sub-clause (b);
    - (d) a securities premium account and a capital redemption reserve account may, for the purpose of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid Bonus Shares;
    - (e) the Board of Directors shall give effect to the resolution passed by the Company in pursuance of this Article.
- 50. (i) Whenever such as resolution as aforesaid shall have been passed, the Board of Directors shall:
  - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares, if any; and
  - (b) generally do all acts and things required to give effect there to.
- (ii) The Board of Directors shall have full power:
  - (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company of their behalf, by the application thereto of their respective proportions of the profit, resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- (iii) Any agreement made under such authority shall be effective and binding on all such members.

## **XIX. GENERAL MEETING**

51. All general meetings, other than annual general meeting shall be called extraordinary general meeting.
52. (i) The Board of Directors may, whenever it think fit, convene an extraordinary general meeting.
- (ii) An extraordinary general meeting shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by the Act.
- (iii) The Company may send the notice of the general meetings through electronic or other mode as may be prescribed apart from sending the same by registered post or speed post or courier.
- (iv) If at any time Directors capable of acting who are sufficient in number to form a quorum, are not within India, any Director or any two (2) 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 of Directors.

## **XX. PROCEEDINGS AT GENERAL MEETING**

53. (i) 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.
- (ii) Save as otherwise provided herein, the quorum for general meetings shall be as provided in Section 103 of the Act.
54. The Chairman, if any, to the Board shall preside as the Chairman of every general meeting of the Company.
55. If there is no such Chairman or if the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is unwilling to act as the Chairman of the meeting, the Directors present shall elect one (1) of their members to be the Chairman of the meeting.
56. If at any meeting no director is willing to act as Chairman or if no director is present, within fifteen (15) minutes of the time appointed for holding the meeting, the members present shall choose one (1) of their members to be the Chairman of the meeting.
57. (i) The Chairman may with the consent of any 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.

- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - (iii) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
  - (iv) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
58. In the case of equality of votes, whether on a show of hand or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to the vote or votes to which he may be entitled as a member.

## **XXI. VOTES OF MEMBERS**

59. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (i) on a show of hands, every members present in person shall have one vote; and
  - (ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
60. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and rules as related thereto and shall vote only once.
61. The Company shall in respect of such items of business as the Central Government may by notification declare to be transacted only by means of postal ballot or may in respect of any item of business other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot in terms of Section 110 of the Act and the rules related thereto and the Company may opt for voting in such postal ballot through e-voting in terms of Section 108 of the Act and the rules related thereto.
62. No objection shall be taken to the validity of any vote except at the meeting or poll at which such vote shall be tendered or postal ballot as per section 110 of the Act and every vote not disallowed at such meeting or poll or postal ballot and whether given personally or by proxy or otherwise, shall be deemed valid for all purposes.
63. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the register of members.
64. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy.

65. Any business other than that upon which a poll has been demanded may proceed with, pending the taking of the poll.
66. No member shall be entitled to vote at any general meeting unless all calls and other sums presently payable by him in respect of shares in the Company or in respect of shares on which the Company has exercised any right of lien, have been paid.
67. (i) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.
68. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarised copy of that power or authority shall be deposited at the registered office of the Company, not less than forty eight (48) hours before the time for holding the meetings or adjourned meetings at which the person named in the instrument proposed to vote, or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
69. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.
70. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before commencement of the meeting or adjourned meeting at which the proxy is used.

## **XXII. BOARD OF DIRECTORS**

71. On the date of adoption of these Articles the Company has the following Directors:
1. Shri A. Sankaranarayanan
  2. Shri Uttam Bose
  3. Shri Raj Kamal Johri
  4. Smt. Mou Mukherjee
  5. Shri Om Prakash Gupta
  6. Shri Sourav Daspatnaik
72. Subject to the provisions of the Act and listing requirement of the Stock Exchanges, at least one third of the total number of directors on the Board shall be Independent Directors.

73. At every annual general meeting of the Company, one-third of such of the Directors of the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act, or if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office. Independent Directors and Nominee Directors shall not be liable to retire by rotation. Managing Directors and Whole-time Directors or Executive Directors or any Directors in executive capacity shall also not be liable to retire by rotation unless otherwise decided by the Board or members of the Company. The Independent Directors shall be appointed for a term not exceeding five consecutive years and for not more than two consecutive terms.
74. A Director shall not be required to hold any qualification shares in the Company.
75. (i) The remuneration of Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- (ii) In addition to the remuneration payable to them in pursuance to the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them:
- (a) In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) In connection with the business of the Company.
76. Subject to the provisions of the Act, the Board of Directors shall have the power at any time and from time to time appoint any person as a Director in addition to the existing Directors but so that the total number of Directors shall not be less than three (3) and more than fifteen (15) including nominee Directors at any time. However, the Company can increase the maximum number of directors beyond fifteen (15) if approved by the members of the Company by passing a special resolution in this respect. Within the maximum number as aforesaid; the Company shall have at least one woman director.
77. Subject to the provisions of Sections 149 and 161 of the Act, the Board of Directors shall have power at any time, and from time to time, to appoint persons as additional directors, provided the number of additional directors and directors together shall not at any time exceed the maximum strength fixed for the Board of Directors by the Articles. Such a person shall hold office up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act and shall not be taken into account in determining the Directors who are to retire by rotation at that Meeting.
78. During the course of its business and in its overall interest as well as that of all the stakeholders, the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority or body that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by such person, firm, corporation, government, financing institution or other authority or body who has appointed

them and will not be liable to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another director in his place.

79. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than three months from India.
80. Every director present at any meeting of the Board of Directors or a committee there of shall sign his name in a register to be kept for that purpose, to show his attendance there at.
81. If the office of any director appointed by the members of the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at the meeting of the Board, provided that any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

### **XXIII. PROCEEDING OF THE BOARD**

82. The Board of Director may meet for the conduct of business, adjourn and otherwise regulate its meetings as it think fit. The Managing Director or the secretary on advise of the Chairman or Managing director or in the absence of the Chairman or Managing Director in the Company on advise of the majority of the members of the board of Directors of the Company may at any time convene a meeting of the Board, In accordance with the provisions of law.
83. The meeting of the Board of Directors shall be called by giving not less than seven days' notice in writing to every director at his address registered with the Company, provided a meeting of the Board may be called by giving shorter notice to transact urgent business subject to the condition that at least one Independent Director shall be present at the meeting. The participation of directors in the meeting of the Board may be either in person or through video conferencing or other audio visual means in terms of Sec. 173 (2) of the Act and the rules framed there under.
84. The quorum for a meeting of the Board of Directors shall be determined from time to time in accordance with the provisions of law.
85. Subject to the provisions of the Act, questions arising at any meeting of the Board shall be decided by majority of votes and in case of an equality of votes, the Chairman, if any, shall have a second or casting vote.
86. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

- 87 The Board may elect a Chairman or Chairperson, who shall preside at the meeting of the Directors and determine the period for which he is to hold office, but if no such Chairman or Chairperson be elected or if at any time, the Chairman or Chairperson be not present within fifteen (15) minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be the Chairman or Chairperson of such meeting. Managing Director or Whole-time-Director or Chief Executive Officer (CEO) of the Company may become Chairman of the meeting if elected according to the provisions of this Article.
- 88 (i) The Board of Directors may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 89 (i) A committee may elect a Chairperson of its meetings if not appointed by the Board for such committee.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 90 (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 91 All acts done in any meeting of the Board of Directors or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 92 Save as otherwise expressly provided in the Act, a resolution in writing, signed by any of the directors of the Board of Directors or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board of Directors or committee, duly convened and held.

### **POWERS OF DIRECTORS**

- 93 The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or

required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

**XXIV. MANAGING DIRECTOR, CHIEF EXECUTIVE OFFICER, MANAGER,  
COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER  
(KEY MANAGERIAL PERSONNEL)**

- 94 Subject to the provisions of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Director(s) or Whole time Director(s) for such term, at such remuneration and on such terms and conditions as the Board of Directors may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board of Directors shall ensure compliance with the requirements of the Act, and shall seek and obtain such approvals as are prescribed by the Act, provided that a director so appointed, shall not whilst holding such office, cease to be a director.
- 95 Subject to the provisions of Sec. 203 of the Act the Board of Directors may, from time to time appoint
- (i) A Chief Executive Officer (CEO), Manager, Company Secretary or Chief Financial Officer (CFO) may be appointed by the Board of Directors for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as Chief Executive Officer, Managing Director, Manager, Company Secretary or Chief Financial Officer of the Company.
  - (iii) A person appointed as Chairperson or Chairman of the Company may be appointed as Managing Director as well as Chief Executive Officer of the Company so long as the Company is engaged in multiple businesses and each of the business is headed by a separate Chief Executive Officer, by whatever name called.

**XXV. REGISTERS AND INSPECTION**

96. The Company shall cause to be kept a Register of Members and an Index of Members, Register of Debenture holders and Index of Debenture holders in accordance with Section 88 of the Act. The Registers may be kept in electronic mode as prescribed under the rules related thereto or as stipulated by the Central Government from time-to-time.

97. The Company may keep a part of the Register of Members and Index of Members or Register of Debenture holders and Index of Debenture holders in a foreign country and at such place as the Board may decide referring it as “Foreign Register” containing the names and particulars of the members, debenture-holders, other security holders or beneficial owners residing outside India.
98. The Register of Members and the Index of Members, except when they are closed under the provisions of the Act as well as copies of all the returns shall be open to inspection by any member, debenture holder, other security holder or beneficial owner during business hours of the Company without payment of any fees and by any other person on payment of such fee as may be prescribed by the Rules in this regard.
99. The Company shall send to any member, Debenture holder or other person on request extracts of the Register of Members, the Index of the Members, the Register and Index of Debenture holders of the list and summary required under the Act, on payment of Rs. 10 per page. The extracts shall be sent within a period of 7 days of deposit of such fee by the Company.
100. The member may serve any notice to the Company by Electronic or other mode as may be prescribed by the Act or the rules made thereto apart from sending the same by registered post or speed post or courier.

## **XXVI. RELATED PARTY TRANSACTIONS**

101. The related party transactions will be approved by the Board of Directors in terms of the provisions of the Act or upon recommendation by the Audit Committee, and, if applicable, by the members in a general meeting through a special resolution, in accordance with the provisions of the Act, rules framed there-under and/or Listing Agreement with Stock Exchanges accordingly.

## **XXVII. DIVIDENDS AND RESERVE**

102. Subject to the provisions of the Act, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
103. Subject to the provisions of Section 123 of the Act, the Board of Directors may, from time to time, pay to the members such interim dividends as appear it to be justified by the profits earned by the Company.
104. (i) The Board of Directors may, before recommending any dividend, set aside out of the profits of the Company, such sums, as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any of

the purposes to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may at the like discretion either be employed in the businesses of the Company or be invested in such investments (other than shares of the Company) as the Board of Directors may, from time to time, think fit.

- (ii) The Board of Directors may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
105. (i) Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as having been paid on the share.
  - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
106. The Board of Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
107. (i) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the reregistered address of the holder or in case of joint holders, to the registered address of that one of the joint holders who is first named on the register of member, or to such persons and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
108. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other moneys payable in respect of such share.
109. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
110. No interest shall be paid if dividend remains unpaid for any reason whatsoever.

## **XXVIII. UNPAID OR UNCLAIMED DIVIDEND**

111. (i) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Unpaid Dividend Account of Hindustan Motors Limited”.
- (ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under Section 125 of the Act.
- (iii) No unclaimed or unpaid dividend shall be forfeited by the Board of Directors. .

## **XXIX. INSPECTION OF ACCOUNTS**

112. (i) The Board shall cause proper books of accounts to be maintained under Section 128 of the Act.
- (ii) 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 all books of the Company, or any of them, shall be open to the inspection of members not being Directors.
- (iii) 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 authorized by the Board of Directors or by the Company in general meetings.

## **XXX. BORROWING POWERS**

113. Subject to the provisions of Act, including Sections 73, 74, 179 and 180 of the Act, and the rules framed thereunder, and the regulations thereunder, the directors may from time to time at their discretion, exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part hereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party provided however, where the monies, to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) and the Board of Directors shall not borrow such monies without the consent of the members in a general meeting.

114. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit and in particular by the creation of any mortgage or charge on the undertaking or the whole or any part of the property present or future or uncalled capital of the Company or by the issue of bonds, perpetual or redeemable, debenture or debenture stock or other securities of the Company, charged upon all or any of the property of the Company (both present and future), including its uncalled capital for the time being.

### **XXXI. TERM OF ISSUE OF DEBENTURES**

115. Any debentures, debenture stock or similar other securities may be issued at a discount, premium or otherwise and may be issued on the 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 a general meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with consent of the Company in a general meeting by special resolution.

### **XXXII. OPERATION OF BANK ACCOUNT**

116. The Board of Directors of the Company or any committee thereof may open and operate Banking Accounts in the name of the Company and/or any of its business/units with any Bank/Financial institution/Co-operative Society, etc. as the Board or committee decides from time to time and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board of Directors or any committee thereof may, from time to time, by resolution determines.
117. The Company may provide loan, advance, guarantees / corporate guarantees to any other company / company (ies) as the Board may decide from time-to-time subject to the stipulations or limits or manner specified by the Act.

### **XXXIII. INDEMNITY**

118. Every director, managing director, whole time director, manager, company secretary and other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by a competent court or the tribunal.
119. Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be

indemnified by the Company out of the funds of the company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably

#### **XXXIV. THE SEAL**

120. (i) The Board shall provide for the safe custody of the Seal of the Company.
- (ii) The Seal of the Company shall not be affixed to any instruments except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two Directors or one director and the Secretary or such other person as the Board may appoint for the purpose; and those director(s) and the secretary and/or any such person so authorized by the Board as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

#### **XXXV. FINANCIAL STATEMENTS**

121. The Board of Directors shall lay before each annual general meeting, the financial statements as required under applicable law for the financial year of the Company as well as that of Subsidiary(ies), if any, duly audited by a qualified Auditor under the provisions of the Act.

#### **XXXVI. AUDIT**

122. At an annual general meeting of the Company, the Company may appoint/ re-appoint auditors to hold office from the conclusion of the Annual General Meeting until the next Annual General Meeting or for such longer period not exceeding five years as may be decided by the Board upon recommendation of the Audit Committee of the Board.
123. The Directors may fill up any casual vacancy in the office of the Auditor.
124. The remuneration of the Auditors shall be fixed by the Company in general meeting except that remuneration of the first or any auditors appointed by the Directors may be fixed by the Board of Directors upon recommendation by the Audit Committee.
125. The Board shall also appoint internal auditors, either within the Company or outsiders, to conduct internal audit of the functions and activities of the Company.

### **XXXVII. SECRECY**

126. Every Director, Secretary, Manager, Chief Executive Officer, Chief Financial Officer, Trustee for the Company, its members or debenture-holders, members of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do by the Board or by any general meeting or by a Court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.
127. No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company or subject to Article 158 to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

### **XXXVIII. WINDING UP**

128. Subject to the provisions of Chapter XX of the Act and rules made there under—
- (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **XXXIX. AUTHENTICATION OF DOCUMENTS**

129. A document or proceeding requiring authentication by the Company; or contracts made by or on behalf of the Company may be signed by any key managerial personnel or an officer of the Company duly authorized by the Board in this behalf.

### **XXXX. GENERAL POWER**

130. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

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