

## DRAFT

Note:

- (i) The regulations comprised in these Articles of Association were adopted pursuant to resolution passed by the members of the Company at the Annual General Meeting of the Company held on 27<sup>th</sup> September, 2019 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.
- (ii) By a Special Resolution passed at the Extraordinary General Meeting of the Company held on June 03, 2017, these Articles were adopted as the Articles of Association of the Company in supersession of, substitution for and to the exclusion of all the existing articles of the Company.
- (iii) By a Special Resolution passed at the Extraordinary General Meeting of the Company held on September 24, 2016, these Articles were adopted as the Articles of Association of the Company in supersession of, substitution for and to the exclusion of all the existing articles of the Company

## **THE COMPANIES ACT, 2013**

### **COMPANY LIMITED BY SHARES**

**(Incorporated under the Companies Act, 1956)**

### **ARTICLES OF ASSOCIATION**

**OF**

## **PRATAAP SNACKS LIMITED**

#### **1. TABLE 'F' EXCLUDED**

- (b) The regulations contained in Table 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except, in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.
- (c) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to, its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

#### **2. DEFINITIONS AND INTERPRETATION**

In these Articles -

- (a) **"Act"** means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

- (b) **“Articles”** means the Articles of Association of the Company, as altered from time to time.
- (c) **“Beneficial Owner”** means the beneficial owner as defined in the Depositories Act.
- (d) **“Board of Directors”** or **“Board”** means the collective body of the directors of the Company.
- (e) **“Capital”** or **“Share Capital”** means the authorised share capital of the Company.
- (f) **“Chairperson”** or **“Chairman”** means Chairperson/Chairman of the Company or such person as nominated or appointed in accordance with Articles herein below.
- (g) **“Company”** or **“this Company”** means Prataap Snacks Limited.
- (h) **“Chief Executive Officer”** means a Director/Officer of the Company, who has been designated as such.
- (i) **“Chief Financial Officer”** means as person appointed as Chief Financial Officer of the Company.
- (j) **“Company Secretary”** or **“Secretary”** means a Company Secretary as defined in the Company Secretaries Act, 1980, who is appointed by the Company to perform the functions of a Company Secretary under the Act.
- (k) **“Depositories Act”** mean the Depositories Act, 1996 or any statutory modification or re-enactment thereof, for the time being in force.
- (l) **“Depository”** mean a Depository as defined in the Depositories Act.
- (m) **“Director”** means a director of the Company appointed in accordance with Act.
- (n) **“Dividend”** include interim dividend.
- (o) **“Independent Director”** means an independent director as defined under the Act and the Listing Regulations.
- (p) **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modification or re-enactment thereof, for the time being in force.
- (q) **“Managing Director”** means a director appointed as Managing Director of the Company.
- (r) **“Member”** or **“shareholder”** means duly registered shareholders/members holding shares of the Company whose name is entered in the Register of Members of the Company and shall include in case of share held in demat form, the beneficial owner whose name is recorded as such with Depository.
- (s) **“Office”** means the registered office of the Company.
- (t) **“Rules”** means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

- (u) **“Seal”** means the common seal of the Company.
- (v) **“Securities and Exchange Board of India”** or **“SEBI”** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
- (w) **“Securities”** means securities as defined in the Securities Contract (Regulation) Act, 1956, as amended from time to time.

#### **Interpretation -**

- a. Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
- b. Headings are for convenience only and do not affect the construction or interpretation of any provision of these Articles.
- c. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or Rules or other law for the time being in force.
- d. The terms referred to but not defined in these Articles shall unless inconsistent with the context or meaning thereof, shall have the same meaning as defined under the Act or Rules or other law for the time being in force.

### **3. SHARE CAPITAL AND VARIATION OF RIGHTS**

- (a) Subject to the provisions of the Act and these Articles, the shares in the capital of the Company 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 at discount and at such time as they may from time to time think fit.
- (b) The authorised share capital of the Company shall be such amount and divided into such numbers of shares as may from time to time provided in Memorandum of Association of the Company.
- (c) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
- (d) The Company may issue the following kinds of shares in accordance with these Articles, Act, Rules and other applicable laws:
  - (i) Equity share:
    - with voting rights; or
    - with differential rights as to dividend, voting or otherwise in accordance with the Act or Rules; and
  - (ii) Preference share.

- (e) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the receipt of application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -
- (i) one certificate for all his shares without payment of any charges; or
  - (ii) several certificates, each for one or more of his shares, upon payment of such amount not exceeding as specified in the Act or Rules, for each certificate after the first.
- (f) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary.
- (g) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- (h) A person subscribing to shares offered by the Company shall have the option either to receive certificate for such shares or hold the shares in a dematerialised form with a depository.
- (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the Board deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of such amount not exceeding as specified in the Act or Rules for each certificate.
- (j) The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
- (k) Except as required by law, no person shall be recognised 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 recognise (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 regulations 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.
- (l) The Company may exercise the powers of paying commissions conferred by the Act to any person in connection with the subscription to its securities, 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 the Act and Rules.
- (m) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act or Rules.
- (n) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

- (o) 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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
- (p) To every such separate meeting, the provisions of these regulations relating general meetings shall *mutatis mutandis* apply.
- (q) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith.
- (r) Subject to the provisions of the Act, the Company may issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Company in accordance with the Act.
- (s) Subject to the provisions of the Act, the Company may issue further shares to –
  - (i) persons who, at the date of offer, are holders of equity shares of the Company; such offer 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; or
  - (ii) employees under any scheme of employees' stock option; or
  - (iii) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

#### **4. LIEN**

- (a) The Company shall have a first and paramount lien –
  - (i) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (b) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- (c) The Company may sell, in such manner as the Board thinks fit, any shares 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, has 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.
- (d) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (e) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (f) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- (g) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (h) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
- (i) Subject to the provisions of the Act, if any, where any share under the power in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing in such manner as it may think fit for/from the certificate not so delivered.
- (j) Fully paid shares will be free from all liens.

## **5. CALLS ON SHARES**

- (a) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- (b) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- (c) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
- (d) A call may be revoked or postponed at the discretion of the Board.
- (e) A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- (f) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

- (g) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
- (h) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (j) 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.
- (k) The Board –
  - (i) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends; or (b) any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable by him.
- (l) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
- (m) The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

## **6. TRANSFER OF SHARES**

- (a) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
- (b) 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.
- (c) The Board may, subject to the right of appeal conferred by the Act decline to register –
  - (i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

- (ii) any transfer of shares on which the Company has a lien.
- (d) The Board may decline to recognise any instrument of transfer unless –
- (i) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
  - (ii) the instrument of transfer 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
  - (iii) the instrument of transfer is in respect of only one class of shares.
- (e) On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that subject to the provisions of the Act, such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

- (f) The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

## **7. TRANSMISSION OF SHARES**

- (a) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (b) Nothing in clause (a) 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.
- (c) 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 and subject as hereinafter provided, elect, either –
- (i) to be registered himself as holder of the share; or
  - (ii) to make such transfer of the share as the deceased or insolvent member could have made.
- (d) The Board 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 transferred the share before his death or insolvency.
- (e) 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 notice in writing signed by him stating that he so elects.
- (f) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

- (g) All the limitations, restrictions and provisions of these regulations 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 or transfer were a transfer signed by that member.
- (h) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

- (i) The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

## **8. FORFEITURE OF SHARES**

- (a) If a member fails to pay any call, or installment 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 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.
- (b) The notice aforesaid shall –
  - (i) name a further day (not being 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
  - (ii) 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 shall be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not complied with, 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.
- (d) The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
- (e) A forfeited share shall be deemed to be the property of the Company and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (f) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- (g) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies

which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

- (h) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- (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.
- (j) 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.
- (k) The transferee shall thereupon be registered as the holder of the share.
- (l) 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.
- (m) Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, authorise person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
- (n) Upon any sale, or disposal under the provisions of the preceding Articles, the certificate, if any, originally issued in respect of the related shares shall stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate or new certificate(s) in respect of the said shares to the person entitled thereto.
- (o) The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
- (p) The provisions of these regulations 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 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.
- (q) The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

## **9. ISSUE OF DEBENTURE**

Subject to the conditions and provisions contained in the Act and Rules made thereunder, 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, drawings, allotment of shares and attending (but not voting) at general meetings, 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 members of the Company accorded by passing a resolution as prescribed in the Act.

## **10. DEMATERIALIZATION OF SECURITIES**

- (a) Notwithstanding anything contained in these Articles, the Company may dematerialise its existing securities, rematerialise its securities held in dematerialised form, issue, offer and allot securities in dematerialised form pursuant to the Depositories Act and the Rules framed thereunder, if any.
- (b) Subject to the applicable provisions of the Act, either the Company or the shareholder may exercise an option to issue, dematerialise, hold the securities in electronic form and then the certificates in respect thereof shall be dematerialized and the rights and obligations of the Company and the shareholder concerned, holding/transfer/ transmission of securities and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act and the Rules framed thereunder, if any.

## **11. ALTERATION OF CAPITAL**

- (a) Subject to the provisions of the Act, the Company may, by a resolution as prescribed in the Act –
  - (i) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
  - (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (iii) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination;
  - (iv) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (v) 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.
- (b) 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 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 these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.
- (c) The Company may, by resolution as prescribed in the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules —
- (i) its share capital;
  - (ii) any capital redemption reserve account; and
  - (iii) any securities premium account

## **12. JOINT HOLDERS**

- (a) Where two or more persons are registered as joint holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
- (i) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
  - (ii) On the death of any one or more of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share.
  - (iii) Any one of such joint holders may give effectual receipts of any dividends, interests or other monies payable in respect of such share.
  - (iv) Only the person whose name stands first in the register of members as one of the joint holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint holders.
  - (v) Any one of two or more joint holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy then that one of such persons so present whose name stands first in the register in respect of such shares shall alone be entitled to vote in respect thereof.

## **13. CAPITALISATION OF PROFITS**

- (a) The Company by a resolution as prescribed in the Act in general meeting may, upon the recommendation of the Board, resolve -
- (i) that it is desirable to capitalise 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

- (ii) that such sum be accordingly set free for distribution in the manner specified in clause (b) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (c) below, either in or towards:
  - (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (ii) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- (c) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- (d) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- (e) Whenever such a resolution as aforesaid shall have been passed, the Board shall –
  - (i) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and
  - (ii) generally do all acts and things required to give effect thereto.
- (f) The Board shall have power –
  - (i) 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
  - (ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (g) Any agreement made under such authority shall be effective and binding on such members.

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

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

## **15. GENERAL MEETINGS**

- (a) All general meetings other than annual general meeting shall be called extraordinary general meeting.
- (b) The Board may, whenever it thinks fit, call an extraordinary general meeting.

## **16. PROCEEDINGS AT GENERAL MEETINGS**

- (a) 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.
- (b) The quorum for a general meeting shall be as provided in the Act.
- (c) The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
- (d) If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- (e) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
- (f) On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or ballot or on a poll, the Chairperson shall have a second or casting vote in addition to the vote or votes to which he may be entitled as a member of the Company.
- (g) The Company shall cause minutes of the proceedings of every general meeting of any class of members and every resolution passed by postal ballot to be prepared, signed and kept in such manner as may be prescribed in the Act or Rules.

## **17. ADJOURNMENT OF MEETING**

- (a) The Chairperson may, *suo motu* and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (d) Save as aforesaid, and as provided in 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.

## **18. POSTAL BALLOT**

In accordance with the applicable provisions of the Act and Rules made thereunder, the Company may, in the case of resolution relating to such business as may be prescribed or allowed from time to

time, to be transacted by means of postal ballot, shall get such resolution passed by means of postal ballot (including electronic voting), instead of transacting the business in the general meeting of the Company.

## **19. VOTING RIGHTS**

- (a) 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 member 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.
- (b) A member may exercise his vote by electronic means in accordance with the provisions of the Act.
- (c) 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 stand in the register of members.

- (d) 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.
- (e) If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
- (f) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- (g) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- (h) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting and every vote not disallowed at such meeting shall be valid for all purposes.
- (i) Any such objection made at a meeting or adjourned meeting shall be referred to the Chairperson of that meeting, whose decision shall be final and conclusive.

## **20. PROXY**

- (a) Any member entitled to attend and vote at a general meeting may do so either personally or through his proxy.
- (b) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

- (c) An instrument appointing a proxy shall be in the form as prescribed in the Act.
- (d) 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 office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## **21. BOARD OF DIRECTORS**

- (a) Unless otherwise determined by the Company in general meeting and subject to the provisions of the Act, the number of directors shall not be less than three and shall not be more than fifteen.
- (b) The composition of the Board of Directors of the Company shall be such as provided in the Act and Listing Regulations.
- (c) Subject to the provisions of the Act and Rules made thereunder, the Board of Directors may, from time to time, appoint a Managing Director or Whole-time Director of the Company on such terms and conditions as the Board may think fit.
- (d) The Company shall appoint such number of Independent Director as prescribed in the Act and Listing Regulations.
- (e) The Board shall have such number of woman director as prescribed in the Act and Listing Regulations.
- (f) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (g) The remuneration including profit related commission payable to the directors, including managing director or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by a resolution prescribed in the Act passed by the members of the Company.
- (h) In addition to the remuneration payable to them, the directors may be paid travelling, hotel and other expenses properly incurred by them-
  - (i) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
  - (ii) in connection with the business of the Company.
- (i) A director other than managing director or whole-time director, may receive sitting fee apart from the remuneration as mentioned above, for attending meetings of Board and committee thereof or for any other purpose whatsoever as may be decided and approved by the Board.
- (j) The amount of such fee shall not exceed the amount as prescribed in the Act.

- (k) All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies 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 shall from time to time by resolution determine.
- (l) Subject to the provisions of the Act, the Board shall have power to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- (m) Such person shall hold office as such only up to the date of the next annual general meeting of the Company and shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
- (n) The Board may appoint a person to act as an alternate director for a director during his absence as provided and in compliance with provisions of the Act.
- (o) Whenever the Company enter into an agreement or arrangement with any financial institution or any other person for borrowing money, providing guarantee or security, technical collaboration, security subscription or financial assistance of any kind whatsoever, the Board shall, subject to the provisions of Act, have power to appoint one or more directors on the Board of the Company nominated by the aforesaid financial institution or other person for such period and on such terms and conditions as agreed. The aforesaid financial institution or other person shall from time to time remove and reappoint such nominee director and to fill in any vacancy caused by the death or resignation of such director otherwise ceasing to hold office. Such nominee director shall be not be liable to retire by rotation unless otherwise determined and subject to the limit prescribed in the Act.
- (p) Every director present at a meeting of the Board or of a committee thereof shall sign in a book or register kept for that purpose.

## **22. ONE-THIRD OF THE DIRECTORS TO RETIRE AT ANNUAL GENERAL MEETING**

- (a) At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office and will be eligible for re-appointment.
- (b) The Managing Director shall not be liable to retire by rotation.

## **23. NO QUALIFICATION SHARES**

The Directors need not hold any qualification shares.

## **24. POWERS OF THE BOARD**

- (a) 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 authorised to exercise and do, subject to the matters which are hereby or by the Act or otherwise directed or required to be exercised or done by the Company in general meeting.

- (b) The Board of Directors may from time to time entrust to and confer upon the Managing Director, such of the powers exercisable under the Act, Rules or these Articles by the Board of Directors, as they think fit and may confer such powers for such time and to be exercisable 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 or in the substitution for all or any of the powers of the Board of 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 by the Board of Directors, the Managing Director may exercise all powers exercisable by the Directors save such powers as by the Act or by these Articles shall be exercisable by the Board of Directors themselves.
- (c) Subject to the applicable provisions of Act and the rules framed thereunder and these Articles, the Board shall have the power, from time to time and at their discretion to borrow, raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company, both present and future.

## **25. PROCEEDINGS OF THE BOARD**

- (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (b) The Chairperson or any one Director with the previous consent of the Chairperson may, or the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
- (c) The quorum for a Board meeting shall be as provided in the Act.
- (d) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed in the Act or Rules.
- (e) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by majority of votes.
- (f) In case of an equality of votes, the Chairperson of the Meeting, shall have a second or casting vote.
- (g) 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.
- (h) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (i) 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 directors present may choose one of their number to be Chairperson of the meeting.

- (j) The Board 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.
- (k) 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.
- (l) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed in the Act or Rules.
- (m) A Committee may elect its Chairperson unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
- (n) If no such Chairperson of the Committee is appointed/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.
- (o) A Committee may meet and adjourn as it thinks fit.
- (p) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
- (q) In case of an equality of votes, the Chairperson of the meeting shall have a second or casting vote.
- (r) All acts done in any meeting of the Board 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.
- (s) Save as otherwise expressly provided in the Act, resolution may be passed by the Board or by a Committee thereof by circulation and shall be valid and effective as if it had been passed at a meeting of the Board or Committee duly convened and held, if the resolution has been circulated in draft by physical mode or through electronic means, to all the directors or members of the Committee, as the case may be and has been approved by a majority of the directors or members, who are entitled to vote on the resolution.
- (t) The minutes of the meeting of the Board and its committee shall be prepared, signed and kept in such manner as may be prescribed in the Act or Rules.

## **26. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Subject to the provisions of the Act,—

- (a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board 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;

- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

## **27. THE SEAL**

- (a) The Board shall provide for the safe custody of the seal.
- (b) The seal of the Company shall not be affixed to a share certificate except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of two Directors or one Director and Company Secretary, as authorised by the Board or Committee of the Board; and such Directors or Director and Company Secretary, shall sign every share certificate to which the seal of the Company is so affixed in their presence.
- (c) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of any one Director or Company Secretary or such other person as may be authorised by the Board or Committee of the Board for the purpose; and such Director or Company Secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

## **28. DIVIDENDS AND RESERVE**

- (a) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
- (c) The Board 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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (d) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- (e) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (f) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- (g) 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.

- (h) The Board 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.
- (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or demand draft or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (j) Every such cheque, demand draft or warrant shall be made payable to the order of the person to whom it is sent.
- (k) The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
- (l) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- (m) No dividend shall bear interest against the Company.

## **29. ACCOUNTS**

- (a) The Company shall cause proper books of account to be maintained in accordance with applicable provisions of the Act and Rules made thereunder.
- (b) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and Rules
- (c) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by Act or other law or authorised by the Board.

## **30. WINDING UP**

Subject to the applicable provisions of the Act and the Rules made thereunder –

- (a) 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.
- (b) 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.

- (c) 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.

### **31. SECRECY**

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

### **32. INDEMNITY AND INSURANCE**

- (a) Subject to the provisions of the Act, every director, manager, company secretary, chief financial officer 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, chief financial officer 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, chief financial officer or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, manager, company secretary, chief financial officer or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (c) The Company may take and maintain an insurance on behalf of its directors, key managerial personnel and other officers 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.

### **33. GENERAL POWER**

Wherever in the Act, Rules or law for the time being in force, 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 authorised 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, Rules or law, without there being any specific Article in that behalf herein provided.

We, the several persons, whose names and addresses are subscribed hereto are desirous of being formed into a Company in pursuance of these Articles of Association and we agree to take the number of shares in the capital of the Company set opposite our names.

S. No.	Name (In full) Addresses Description and Occupation of the Subscribers	No. of Equity Shares taken (in words and figures)	Signature of Subscribers	Signature, name addresses, description and occupation of witness.
1.	<b>Mr. RAJESH MEHTA</b> Late Shri Badal Chandji Mehta 3, Janki Nagar (Annex) A. B. Road, Indore (M.P.) (Business)	5000 (Five Thousand Shares)	Sd/-	<p>Witness to the Signature of all the Subscribers</p> <p>Sd/-</p> <p><b>PRAMOD CHOPRA</b> Chartered Accountants 105, Shalimar Corporate Centre, 8-B South Tukoganj, INDORE</p>
2.	<b>Mr. NAVEEN KUMAR MEHTA</b> S/o Shri Jugraj Ji Mehta 3, Janki Nagar, NX, Indore (M.P.) (Business)	5000 (Five Thousand Shares)	Sd/-	
	Total No. of Equity Shares taken	10,000 (Ten Thousand Shares)		

Date : 23.03.2009

Place : INDORE