

---

---

**Memorandum of Association  
and  
Articles of Association  
of  
The Shipping Corporation of India Ltd.  
( A Government of India Enterprise )**

---

---

MEMORANDUM OF ASSOCIATION  
AND  
ARTICLES OF ASSOCIATION  
OF  
**The Shipping Corporation of India Ltd.**

(A Government of India Undertaking)

(Formed on 2-10-1961 by the amalgamation of the Eastern Shipping Corporation Ltd. and the Western Shipping Corporation Ltd. under the Shipping Corporations Amalgamation Order, 1961, issued by the Government of India and became public with effect from 18-9-1992.)

Registered Address :  
Shipping House,  
245, Madame Cama Road,  
MUMBAI 400 021.

FRESH CERTIFICATE OF INCORPORATION ON CHANGE OF NAME  
AND CONVERSION OF THE COMPANY FROM PRIVATE TO PUBLIC.

NO. 8033

CERTIFICATE OF CHANGE OF NAME  
UNDER THE COMPANIES ACT, 1956

In the matter of THE SHIPPING CORPORATION OF INDIA LIMITED\*

I do hereby certify that pursuant to the provisions of section 23 of the Companies Act, 1956 and the Special Resolution passed by the company at its Annual General Meeting on 18-9-1992 the name of THE SHIPPING CORPORATION OF INDIA LIMITED\* has this day been changed to THE SHIPPING CORPORATION OF INDIA LIMITED And that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated this 18TH day of FEBRUARY One Thousand Nine Hundred and Ninetythree.

\* A Government Company

Sd/- G. C. GUPTA  
Add. REGISTRAR OF COMPANIES,  
MAHARASHTRA, BOMBAY



**FRESH CERTIFICATE OF INCORPORATION CONSEQUENT  
ON THE CHANGE OF NAME IN TERMS OF THE SHIPPING  
CORPORATIONS AMALGAMATION ORDER, 1961**

---

No. 8033/T.A.

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA, BOMBAY

[Under the Companies Act, 1956 (1 of 1956)] :

In the matter of Eastern Shipping Corporation Limited

I hereby certify that the Eastern Shipping Corporation Limited which was originally incorporated on 24th day of March, 1950 under the Indian Companies Act, 1913 under the name "Eastern Shipping Corporation Limited" and in respect whereof the Government of India (Ministry of Commerce & Industry, Department of Company Law Administration having passed the Shipping Corporations Amalgamation Order, 1961 (being No. 8-8-61-CI. III) in exercise of the powers conferred by sub-sections 1 and 2 of Section 396 of the Companies Act, 1956 inter alia directing and approving the change of name as stated below, the name of the said company is change to "The Shipping Corporation of India Limited". This Certificate is issued pursuant to Section 23 of the said Act read with clause 12(iii) of the said Shipping Corporations Amalgamation Order, 1961.

Given under my hand at BOMBAY, this Twenty-first Day of October One Thousand Nine Hundred and Sixty-one (29th Asvina, 1883).

(Sd.) S. K. DUTT  
Registrar of Companies  
Maharashtra



## CONTENTS

### MEMORANDUM OF ASSOCIATION

	Paragraph	Page
Name of the Company	1	1
Registered Office of the Company	2	1
Objects of the Company	3	1-10
Company not to carry on business within purview of Indian Banking Companies Act and Indian Insurance Act	4	11
Liability of Members	5	11
Capital of the Company	6	11
Subscribers to the Memorandum	-	12

### ARTICLES OF ASSOCIATION

	Article	Page
Table A of Companies Act, 1956 not to apply	1	13
Interpretation	2	13-14

#### CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Capital	3	15
Increase of Capital	4	15
New Capital same as existing Capital	5	15
Redeemable Preference Shares	6	15
Provisions to apply on issue of Redeemable Preference Shares	7	16
Reduction of Capital	8	16
Sub-division, Consolidation & Cancellation of Shares	9	16
Modification of Rights	10	17

#### SHARES AND CERTIFICATES

Register & Index of Members	11	17
Share to be numbered progressively & no share to be subdivided	12	18
Further Issues of Capital	13	16-19
Shares under control of Directors	14	19
Power a/s/o to Company in General Meeting to Issue Shares	15	19
Acceptance of Shares	16	20
Deposit & call etc. to be a debt payable immediately	17	20
Liability of Members	18	20
Share Certificate	19	20
Renewal of Share Certificates	20	21-22
The First Named of Joint-holders deemed sole holders	21	22
Company not bound to recognise any interest in share other than that of- egistered holder	22	22
Funds of Company	23	23

	Article	Page
<b>UNDERWRITING AND BROKERAGE</b>		
<i>Commission may be paid</i>	24	23
<i>Brokerage</i>	25	23
<b>INTEREST OUT OF CAPITAL</b>		
<i>Interest may be paid out of capital</i>	26	23
<b>CALLS</b>		
<i>Directors may make calls</i>	27	23
<i>Calls on shares of same class to be made on uniform basis</i>	28	24
<i>Notice of calls</i>	29	24
<i>Calls to date from Resolution</i>	30	24
<i>Calls may be revoked or postponed</i>	31	24
<i>Liability of Joint-holders</i>	32	24
<i>Directors may extend time</i>	33	24
<i>Calls to carry interest</i>	34	24
<i>Sums due to be calls</i>	35	24
<i>Proof on trial of suit for money due on shares</i>	36	25
<i>Partial payment not to preclude forfeiture</i>	37	25
<i>Payment in anticipation of calls may carry interest</i>	38	25-26
<i>Company to have lien on shares</i>	39	26
<i>As to enforcing lien by sales</i>	40	26
<i>Application of proceeds of sale</i>	41	26
<b>FORFEITURE OF SHARES</b>		
<i>If Money payable on shares not paid notice to be given to members</i>	42	26
<i>Form of Notice</i>	43	27
<i>In default of payment, shares to be forfeited</i>	44	27
<i>Notice of forfeiture to a Member</i>	45	27
<i>Forfeited share to be property of the Company and may be sold etc.</i>	46	27
<i>Member still liable to pay money owing at time of forfeiture &amp; interest</i>	47	27
<i>Effect of forfeiture</i>	48	27
<i>Evidence of forfeiture</i>	49	27
<i>Validity of sale under Articles 40 &amp; 46</i>	50	28
<i>Cancellation of share certificates in respect of forfeited shares</i>	51	28
<i>Power to Annul forfeiture</i>	52	28
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
<i>Register of Transfers</i>	53	28
<i>Form of Transfer presented</i>	54	28
<i>Transfer form to be completed &amp; Presented to the Company</i>	55	28

	Article	Page
<i>Transfer Books &amp; Register of Members when closed</i>	56	29
<i>Directors may refuse to register transfers</i>	57	29
<i>Notice of application when to be given</i>	58	29
<i>Death of one or more joint-holders of shares</i>	59	29
<i>Title to shares of deceased Member</i>	60	29
<i>No transfer to Minor, Insolvent etc.</i>	61	30
<i>Registration of persons entitled to shares otherwise than transfer</i>	62	30
<i>Persons entitled may receive dividend without being registered as Member</i>	63	30
<i>Fee on transfer or transmission</i>	64	30
<i>Article Page</i>		
<i>Company not liable for disregard of notice prohibiting registration of transfer of a notice</i>	65	30
<b>COPIES OF MEMORANDUM &amp; ARTICLES TO BE SENT TO MEMBERS</b>		
<i>A copy of Memorandum &amp; Articles of Association to be sent by the Company</i>	66	31
<b>BORROWING POWERS</b>		
<i>Power to Borrow 67 25 Payment or repayment of moneys borrowed</i>	68	31
<i>Terms of issue of Debentures</i>	69	31
<i>Register of Mortgages etc. to be kept</i>	70	32
<i>Register &amp; Index of Debenture holders</i>	71	32
<b>SHARE WARRANTS</b>		
<i>Power to issue share warrants 72 26 Deposit of share warrant</i>	73	32
	74	32
<i>Issue of new share warrant or coupon</i>	75	33
<b>CONVERSION OF SHARES INTO STOCK AND RECONVERSION</b>		
<i>Shares may be converted into stock 76 26-27 Right of stock-holders</i>	77	33
<b>MEETING OF MEMBERS</b>		
<i>Statutory Meeting</i>	78	33
<i>Annual General Meeting</i>	79	33
<i>Extra ordinary General Meeting</i>	80	34
<i>Requisition of Members to state object of meeting</i>	81	34
<i>On receipt of requisitionist, Directors to call Meeting and in default requisitionist may do so</i>	82	34
<i>Meeting called by requisitionists</i>	83	35
<i>Twentyone days notice of Meeting to be given</i>	84	35

	Article	Page
<b>DIRECTORS</b>		
<i>Number of Directors</i>	121	42
<i>President of India's Powers to appoint Directors</i>	122	42
<i>Power to appoint Ex-Officio Directors</i>	123	42
<i>Appointment of Alternate Director</i>	124	43
<i>Directors power to add to the Board</i>	125	43
<i>Qualification of Directors</i>	126	44
<i>Remuneration of Directors</i>	127	44
<i>Travelling expenses incurred by Directors not a bonafide resident or by Director going out on Company's business</i>	128	44
<i>Directors may act notwithstanding any vacancy</i>	129	44
<i>When office of Directors to become vacant</i>	130	44
<i>Director may contract with Company</i>	131	45
<i>Disclosure of interest</i>	132	46
<i>General notice of interest</i>	133	46
<i>Interested Directors not to participate or vote in Board's proceedings</i>	134	46
<i>Register of contracts in which Directors are interested</i>	135	47
<i>Director may be Director of companies promoted by the Company</i>	136	47
<i>Retirement by rotation of Directors &amp; ascertainment of Directors retiring by rotation and filling up of vacancies</i>	137	47
<i>Eligibility for re-election</i>	138	48
<i>Company to appoint successors</i>	139	48
<i>Provisions in default of appointment</i>	140	48
<i>Company may increase or reduce the number of Directors</i>	141	48
<i>Notice of candidate for office Of Director except in certain cases</i>	142	49
<i>Register of Directors etc. and notification of change to Registrar</i>	143	49
<i>Disclosure by Director of appointment to any other body corporate</i>	144	49
<i>Right of the President of India to appoint Chairman</i>	145	50
<i>Right of the President of India to appoint Managing Director and whole time Directors</i>	146	50
<i>Restriction on management</i>	147	50
<i>Certain persons not to be appointed as Managing Director</i>	148	50-51
<i>Special position of Managing Director</i>	149	51
<b>CONTROL AND DIRECTIONS BY THE PRESIDENT OF INDIA</b>		
<i>Matters reserved for consideration/requiring prior approval of President of India</i>	150	51-54
<i>Powers with regard to works of Capital nature</i>	151	54-55
<b>PROCEEDINGS OF THE BOARD OF DIRECTORS</b>		
<i>Meeting of Directors</i>	152	55
<i>Notice of Meetings</i>	153	56



	Article	Page
<i>Omission to give notice not to invalidate a resolution passed</i>	85	36
<i>Meeting not to transact business not mentioned in notice</i>	86	36
<i>Quorum at General Meeting</i>	87	36
<i>Body corporate deemed to be personally present</i>	88	36
<i>If quorum not present, Meeting to be dissolved or adjourned</i>	89	36
<i>Chairman of General Meeting</i>	90	36
<i>Business confined to election of chairman whilst chair vacant</i>	91	36
<i>Chairman with consent may adjourn Meeting</i>	92	36
<i>Questions at General Meeting how decided</i>	93	37
<i>Chairman's casting vote</i>	94	37
<i>Poll to be taken if demanded</i>	95	37
<i>Scrutineers at Poll</i>	96	37
<i>In what case poll taken without adjournment</i>	97	37
<i>Demand for poll not to prevent Transaction of other business</i>	98	38
<i>Representation of the President of India at Meeting of the Company</i>	99	38
	100	38
	101	38
	102	38
	103	38
	104	38
<b>VOTE OF MEMBERS</b>		
<i>Members in arrears not to vote</i>	105	38
<i>Number of votes of which Member Entitled</i>	106	39
<i>Casting of votes by a Member entitled to more than one vote</i>	107	39
<i>How Members non-composment is and minor may vote by his committee of other legal guardian</i>	108	39
<i>Votes of joint-Members</i>	109	39
<i>Voting in person or by proxy</i>	110	39
<i>Votes in respect of shares of deceased and insolvent Member</i>	111	40
<i>Appointment of proxy</i>	112	40
<i>Proxy either for specified Meeting</i>	113	40
<i>Proxy to vote only on poll</i>	114	40
<i>Deposit of instrument of appointment</i>	115	40
<i>Form of proxy</i>	116	40
<i>Validity of votes given by proxy notwithstanding death of Member</i>	117	40
<i>Time for objections of votes</i>	118	40
<i>Chairman of the Meeting to be the judge of validity of any vote</i>	119	41
<b>MINUTES OF MEETING</b>		
<i>Minutes of General Meeting &amp; Inspection thereof by Members</i>	120	41

	Article	Page
Quorum	154	56
Adjournment of meeting for want of quorum	155	56
When meeting to be convened	156	56
When Chairman is not present for the Board Meeting	157	56
Questions by Board how decided	158	56
Powers of Board	159	56
Directors may appoint Committee	160	56
Meetings of committee how to be governed	161	57
Resolution by circulation	162	57
Acts of Board of Committee valid notwithstanding any deficiency in appointment	163	57
Minutes of proceedings of meetings of the Board and committee	164	57
Power of directors	165	58
Certain powers of the Board	166	59
Managing Directors Powers	167	65
Secretary	168	66
<b>THE SEAL</b>		
The Seal/ its custody and use	169	66
<b>DIVIDENDS</b>		
Division of profits	170	66
The Company in General Meeting to declare a dividend	171	66
Dividends only to be paid out of profits	172	66
Interim dividend	173	67
Capital paid up in advance and interest not to earn dividend	174	67
Dividends in proportion to amount paid up	175	67
Retention of dividends until completion of transfer under Articles 63	176	67
Dividend etc. to joint-holders	177	68
No Member to receive dividend whilst indebted to the Company & Company's right of reimbursement thereof	178	68
Transfer of shares must be registered	179	68
Dividends how remitted	180	68
Unclaimed dividend	181	68
No interest on dividends	182	69
Dividend and call together	183	69
Capitalisation	184	69
<b>ACCOUNTS</b>		
Directors to keep true Accounts	185	70
Statement of accounts to be furnished to General Meeting	186	71
Directors to have power to amend the audited A/cs which		

	Article	Page
<i>have been laid before the Company in General Meeting</i>	187	71
<i>Copies shall be sent to each Member</i>	188	71
<b>AUDIT</b>		
<i>Appointment and Remuneration of Auditors</i>	189	72
<i>Power of the Comptroller and Auditor General of India</i>	190	72
<i>Audited Report to be submitted to the Comptroller &amp; Auditor General &amp; his rights relating thereto</i>	191	72
<b>DOCUMENTS AND NOTICES</b>		
<i>Service of documents or notices on Members by Company</i>	192	73
<i>Service By Post</i>	193	73
<i>Service by advertisement</i>	194	73
<i>Service on joint-holders</i>	195	73
<i>Service on personal representatives, etc.</i>	196	73
<i>To whom documents or notices must be served or given</i>	197	74
<i>Members bound by documents or notices served on or given to previous holders</i>	198	74
<i>Services of documents or notices by Members</i>	199	74
<b>WINDING UP</b>		
<i>Liquidator may divide assets in specis</i>	200	74
<b>INDEMNITY AND RESPONSIBILITY</b>		
<i>Director's and others right of indemnity</i>	201	74
<i>No Director or Officer liable for acts or default of another</i>	202	75
<b>SECRECY CLAUSE</b>		
<i>Secrecy Clause</i>	203	75

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**THE SHIPPING CORPORATION OF INDIA LTD.**

1. *The name of Company is THE SHIPPING CORPORATION OF INDIA LIMITED.<sup>1</sup>*
2. *The Registered Office of the Company will be situated in the State of Maharashtra*
3. *The objects for which the Company is established are the following namely :*
  - (a) *To purchase, charter hire or otherwise acquire, sell exchange, let or charter either in India or in any other country or otherwise deal with steam and other ships or vessels, of any description with all equipment and furniture, and to establish maintain and operate transport services by water and land between India and other countries of the world for the conveyance of passengers, mails and freight and for any other purpose including the conveyance of troops, carriage of munitions of war, live-stock, corn and other produce, all merchandise and food articles of whatsoever nature or kind between such Ports and places in any part of the world as may seem expedient, also to acquire or obtain any postal and/or other subsidy etc., and generally to establish, maintain and operate lines, or regular services of steamships or other vessels propelled by power or otherwise, on such trades routes and services as may be allotted to the Company by the Government of India.<sup>2</sup>*
  - (b) *To purchase, take in exchange or otherwise acquire any share or interest in ships, vessels or craft of any description and also shares, stocks and securities of any companies possessed of or interested in any ships or vessels or craft.*
  - (c) *To construct, purchase, own, maintain repair, refit, replace, restore, sell or dispose of engines, boilers, machinery, component parts, accessories and fittings, required for ships or vessels of any description or kind.*
  - (d) *To buy, sell prepare for market, and deal in rice, cotton, jute, coal timber, oils, lubricants, petrol, fuels of all descriptions, live stocks, meat and other merchandise, commodities and produce either for freighting ships and vessels of the Company or any other purpose.*

- 
1. This paragraph was substituted in place of the following paragraph, viz., "The name of the Company is THE EASTERN SHIPPING CORPORATION LIMITED" by clause 13 of the Shipping Corporations Amalgamation Order, 1961, issued by the Government of India.
  2. The words "provided, however, that this shall not debar the Company from operating with the consent in writing of the Scindia Steam Navigation Co. Ltd. so long as they are the Managing Agents of the Company on any of the trades, routes and services of the, Scindia Steam Navigation Co. Ltd., and/or their associated companies in which they have controlling interest" appearing at the end of this clause were deleted by clause 13 of the Shipping Corporations Amalgamation Order, 1961, issued by the Government of India.

- (e) To carry on the business of merchants, carriers by land and water, ship-owners, ship agents, dock owners, warehousemen, wharfingers, barge owners, lightermen, forwarding agents, stevedors, bunkerers and ice merchants and refrigerating storekeepers, and of hotel owners and bus owners in furtherance of or in connection with their business of carriers by land and sea and provide facilities for the carrying on of any of the above business.
- (f) To carry on the business of shipbuilders and repairers and refiners and vendors of ships and vessels and/or repairers of engines, boilers, machinery and any other parts required for ships and vessels and to instruct and maintain for the use of the Company or for letting out on hire or for doing repair or other work for others graving and other docks and other conveyances for the building, repairing or docking of ships and other vessels and to aid in or contribute to the construction of any such works.<sup>3</sup>
- (g) To purchase, take on lease or acquire in exchange or in amalgamation, license or otherwise solely or jointly with others, equip and fit up with all plant, machinery, equipment, appliances and accessories, yards, factories, or works for maintaining and operating building, repairing, equipping and stationing steamers, ships, vessels, launches and boats.
- (h) To maintain, operate, renew, replace, repair, improve, alter, break, sell, exchange or let out on hire or charter load on commission or otherwise use, utilise, deal with and dispose of any ships and vessels.
- (i) To demolish, erect, construct, enlarge, alter, replace, repair, or maintain factories, buildings, and structures of every kind necessary or convenient for the Company's business.
- (j) To manufacture, make and deal in metal, wood and any other products, substances, articles, and things of every description and kind.
- (k) To purchase, take on lease, licences or concessions or in exchange or obtain assignment of or otherwise acquire lands of every description and tenure, building works, plantations, forests, licences, leases and any rights and privileges or interest therein for establishment maintenance and working of lines of steamships or vessels between any ports of the world or for the formation or working of any railway, tramway, wharf, quay, jetty, pier, dock or other works, and to explore, work exercise, develop and to turn to account and to sell, assign, transfer or otherwise deal with or

3. The words "provided always that so long as the Scindia Steam Navigation Co. Ltd. own a Shipyard at Vishakapatnam in the State of Madras, the Company shall not undertake or carry on the business of a Shipbuilders except with the previous consent in writing of the Scindia Steam Navigation Co. Ltd., which consent shall however, be required only so long as the said Scindia Steam Navigation Co. Ltd., are the Managing Agents of the Company", appearing at one end of this clause were deleted by Clause 13 of the Shipping Corporations Amalgamation Order, 1961, issued by the Government of India.

*dispose of the same together with the benefit of any subsidy attached to any such licence or concession or otherwise.*

- (l) *To- apply for, purchase or by any other means acquire and protect, prolong and renew any patents, patent rights, brevets d' invention, licences, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire*
- (m) *To buy, sell, let on hire, repair, alter and deal in machinery, components parts, accessories and fittings of all kinds.*
- (n) *To manufacture, buy, sell, exchange, install, work, alter, improve, import or export and otherwise deal in all kinds of plant, machinery, vehicles, apparatus, tools, utensils, substances, materials and things necessary or convenient for carrying on any of the business which the Company is authorised to carry on or usually dealt in by persons engaged in such businesses.*
- (o) *To carry on business as manufacturers, sellers, purchasers, importers or exporters and dealers in boats, barges, launches, steamers, trucks, chassis, rolling stock, motors, carriages, buses, lorries, engines, and turbines whether propelled or moved by electricity, steam, oil, gas, petroleum or any other motive or mechanical power and all components parts, fittings, tools, implements, accessories, materials for use in connection therewith.*
- (p) *To insure the steamships, vessels and other property of the Company and to effect all such insurances in relation to the carrying on of the Company's business and any risk incidental thereto as may seem expedient and if thought fit, to join or become a member of any mutual insurance company or to carry a part of the whole of such insurance risk in connection with the Company's business.*
- (q) *To act as agents or Managing Agents of any company carrying on or about to carry on any business which this Company is authorised to carry on.*
- (r) *To promote any company or companies subsidiary or otherwise for the purpose of acquiring all or any of the property, rights, and liabilities of this Company or for carrying on any business which this Company is authorised to carry on or for any other purpose which may seem directly or indirectly calculated to benefit this Company or to promote or advance the interests of this Company, and to pay and meet the cost of and incidental to such promotion.*
- (s) *To grant loans on ships, vessels, or on goods and merchandise carried or to be carried on any vessels of the Company.*

- (t) To sell or sublet any concession or licence obtained or contract entered into.
- (u) To buy or otherwise acquire ships and vessels of every description complete or not complete, sound or out of repair for the purpose of improving reselling, letting out on hire or otherwise making a profit out of the same.
- (v) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (w) To undertake the salvage and towage of ships, crafts, cargoes and property and to levy cranes, anchorage, lighting and other dues and tolls and render assistance to ships and vessels in distress.
- (wi)<sup>4</sup> To carry on the activities connected with off-shore exploration and production of oil, minerals, gas and other related areas as well as logistic support thereto.

To acquire and deal with the following property :

- (i) The business property and liabilities of any company, firm or person carrying on any business within the objects of the Company.
- (ii) Lands, buildings, easements and other interests in immovable property.
- (iii) Plant, machinery personal estate and effects,
- (iv) Patents, patent rights, inventions or designs.
- (v) Shares, stocks or securities in or of any shipping company, ship-repairing company or any company carrying on or entitled to carry on business of building or manufacturing steamers, vessels, ships, tankers, or in or of any company carrying on any business which this Company is entitled to carry on or of any other company or undertaking the acquisition of which may seem likely or calculated directly or indirectly to promote or advance the interest of the Company or be advantageous or beneficial to the Company and to continue to hold any shares in any such company heretofore acquired by the Company and to sell or dispose of and transfer any such shares, stocks or securities.
- (vi) To purchase, take on lease or acquire in exchange or under amalgamation, licence or concession or otherwise, absolutely or conditionally solely or

4. New sub-clause (w-i) was added to clause 3 - Objects Clause by Special Resolution dated 16.2.1988 and confirmed by C.L.B. on 16.11.88 and was registered with R.O.C. on 19.1.1989.

*jointly with others any property, rights or privileges which the Company may think necessary or convenient for the purposes of its business, and make, construct, maintain, work, hire hold, improve alter, manage, let, sell, dispose of exchange, carry out or control roads, canals, water courses, ferries, piers, wharves, quays, sheds, landing places, garages, accommodation of all kinds of sea and land traffic, water ways, lands, buildings, pipe lines, foundries, warehouses, works, factories, workshops, sidings, tramways, engines, machinery and apparatus, electric works, water rights, way leaves, privileges or rights of any description or kind and other conveniences, which may be calculated directly or indirectly to advance the Company's interest and to contribute to subsidise or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof.*

- (y) *To perform or do all or any of the following operations, acts or things :*
- (i) *To pay all the costs, charges and expenses of the promotion and establishment of the Company.*
  - (ii) *To sell, let, dispose of or grant rights over all or any property of the Company.*
  - (iii) *To erect buildings, factories plant and machinery for the purposes of the Company.*
  - (iv) *To undertake payment of all rents and performance and observance of all covenants, conditions and agreements combined in or reserved by any lease or leases which may be granted or assigned to or may be otherwise acquired by the Company.*
  - (v) *To manufacture plant, machinery, tools goods and things for any of the purpose of the business of the Company.*
  - (vi) *To draw, accept and negotiate bills of exchange, promissory notes and other negotiable instruments.*
  - (vii) *To borrow money or to receive money on deposit either without security or secured by debentures, debenture stock (perpetual or terminable), mortgage or other security charged on the undertaking or all of any of the assets of the Company including uncalled capital.*
  - (viii) *To lend money on property or on mortgage of immovable property or on hypothecation or pledge of movable property and to invest money of the Company in such manner (other than in the shares of this Company) as the Directors think fit and to sell, transfer or deal with the same.*



- (ix) *To enter into partnership or into any arrangement for joint working, sharing or pooling profits, amalgamation union of interests, co-operation, joint adventure, reciprocal concession, or otherwise or amalgamate with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in, or any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit this Company.*
- 
- (x) *To sell or dispose of the undertaking of the Company and all or any of the property or effects of the Company for cash or for stock, shares, securities of any other company or for other consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company.*
- (xi) *To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshop of scientific and technical research and experiments; to undertake and carry on scientific and technical researches, experiments and tests of all kinds; to promote studies and researches, both scientific and technical, investigations and inventions by providing subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.*
- (xii) *To establish, maintain, operate and support or Joint in establishing, maintaining, operating and supporting training colleges for ships officers, navigators, marine engineers, ship-building architects, radio operators, technicians and mechanics, and schools and colleges for training in navigation, ship-building and repairing in all branches of marine navigation and engineering in India or in any part of the world and to enter into any arrangement with Government of any other party for that purpose.*
- (xiii) *To obtain apply for, arrange for the issue or enactment, of Order or Act of Legislature or Act of Authority in India, England or any other part of the world for enabling the Company to obtain powers, authorities, protection, financial and other help necessary or expedient to carry out or extent any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or applications, or any other endeavours*

*steps or measures which seem calculated directly or indirectly to prejudice the Company's interests.*

- (xiv) *To enter into any arrangement with the Government of India, Government of U. K. or with any other Government or State or any local or provincial government or with authorities imperial supreme, national, local, municipal or otherwise or with any rulers, chiefs, landholders or with any person for the purpose of directly or indirectly carrying out the objects of the Company or any of them or effecting any modification in the constitution of the company or furthering the interests of the Company or its members and to obtain from any such Government, State, authority or person any charters, subsidies, loans, indemnities, grants contracts, decrees, rights, sanction, privileges, licences or concessions whatsoever (whether statutory or otherwise) which the Company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, grants, contracts, decrees, rights, sanctions, privileges, licences, or concessions and the terms and conditions arid in particular to comply with any conditions for the sharing of profits of the Company with any such Government, State, authority or person or for restricting dividends on shares of the Company.*
- (xv) *To establish, maintain, manage and operate restaurants, refreshment rooms, buffets, cafeterias and hotels and to carry on the business of general provision merchants, licensed victuallers, wine and spirit merchants and tobacconists.*
- (xvi) *To provide for the amelioration and welfare of persons employed or formerly employed by the Company and the wives, families, dependents or connections of such persons by building or contributing to the buildings of houses, dwellings or chawls or by grants of money, pensions, allowances, bonuses or other payments or by creating and from-time to time subscribing or contributing to Provident Fund and other Associations, Institutions, Funds or Trusts or by helping persons employed by the Company to effect or maintain insurance on their lives by contributing to the payment or otherwise and by providing or subscribing or contributing towards places of instructions and recreation, hospitals, and dispensaries, medical and other attendance and other assistance as the Company shall think fit.*
- (xvii) *To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in or any wise connected with any particular trade or business or with trade or commerce generally including any association, institution or fund for the protection of the interests of masters, owners and employers against loss by bad debts, strikes, combinations, fire, accidents or otherwise or for*

the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors in business or their families or dependents and whether or not in common with other persons or classes of persons and in particular of friendly co-operative and other societies, reading rooms, libraries, educational and charitable institutions, refectories, dining and recreation rooms, churches, temples, places of worship, schools, and hospitals and to grant gratuities, pensions, and allowances and to contribute to any funds raised by public or local subscription for any purpose whatsoever.

- (xviii) To aid peculiarly or otherwise, any association body or movement having for an object the solution, settlement or surrounding of industrial or labour problems or troubles or the promotion of industry or trade.
- (xix) To dedicate, present, subscribe to or otherwise aid out of the profits and assets of the Company benevolent, charitable, national or other institutions or objects of a public character or which have any moral or other claims to support or aid by the Company by reason of the locality or nature of its operations or otherwise.
- (xx) To make donations to any national memorial Fund or any other Fund constituted for a charitable purpose.
- (xxi) To distribute any of the property of the Company among the members in specie or in kind but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (xxii) To transact and carry on all kinds of Agency business and to be appointed and act as Agents, Managing Agents, Managers or Secretaries and Treasurers of any company or concern and to do and perform all and singular the several duties, services and authorities appertaining to such offices respectively and to comply with and to become bound by all restriction; limitations and conditions appertaining to such offices respectively or imposed by the terms of any agreement or agreements entered into for any of the purposes aforesaid.
- (xxiii) To carry on any other trade or business that may seem to the Company capable or being conveniently carried on in connection with these objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights or which it may be advisable to undertake with a view to improving, developing, rendering valuable or turning to account any property moveable or immoveable belonging to the Company or in which the Company may be interested.

- (xxiv) *To do all or any of the above things and all such other things as are incidental or as may be thought conducive to the attainment of the above objects or any of them in India or at any other part of the World, either as principals, agents, trustees, contractors or otherwise, and either along or in conjunction with others and to do all such things as the incidental or conducive to the attainment of the above objects.*
- (Z) *To do all or any of the things hereinbefore authorised either alone, or in conjunction with or as factors trustees or agents for others or by or through factors, trustees or agents.*
- (Z1) *To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.*
- (Z2) *To amalgamate with any company or companies having objects altogether or in part similar to those of this Company.*
- (Z3) *To pay for any properties, rights or privileges acquired by the Company, either in shares of the Company or partly in shares and partly in cash or otherwise.*
- (Z4) *To create any depreciation fund, reserve fund, sinking fund, insurance fund or any special or other fund whether for depreciation or for repairing, improving extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or for special dividends or equilising dividends or for any other purpose whatsoever, and to transfer any such fund or part thereof to any of the other funds herein mentioned.*
- (Z5) *To make, draw, accept, endorse, discount, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.*
- (Z6) *To accumulate funds and to invest or otherwise employ moneys belonging to or with the Company in the purchase or acquisition of any shares, securities or other investments whatsoever whether moveable or immoveable upon such terms as may be thought proper and from time to time to vary all or any such investments in such manner as the Company may think fit.*
- (Z7) *To acquire any shares, stocks, debentures, debenture stock, bonds, obligations or securities by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same, either conditionally or otherwise and to guarantee the subscription thereof*

and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.

(Z8) To adopt such means of making known the business of the Company or of any company in which this Company is interested as may seem expedient and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest by publication of books and periodicals and by granting prizes, rewards and donations.

(Z9) To pay all the costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital and to remunerate or make donations to (by cash or other assets or by the allotment of fully or partly paid shares or by a call or option on shares, debentures, debenture stock or securities of this or any other company or in any other manner, whether out of the Company's capital or profits or otherwise) any person, persons or company for service rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in the conduct of its business or in introducing any property or business to the Company or for any other reason which the Company may think proper.

(Z10) To establish and maintain agencies, branch places and local registers to procure registration or recognition of the Company and to carry on business in any part of the world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as are possessed by local companies or partnerships or as may be thought desirable. And it is hereby declared that :

- (i) the word 'company' save when used in reference to this Company, in this clause, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, whether domiciled in India or elsewhere.
- (ii) the several such clauses of this clause and all the powers thereof are to be cumulative and in no case is the generality of any one sub-clause to be narrowed or restricted by any particularity of any other sub-clause, nor is any general expression in any sub-clause to be narrowed or restricted by any particularity of expression in the same sub-clause or by the application of any rule of construction ejusdem generis or otherwise.
- (iii) the term "India" when used in this Clause, unless repugnant to the context, shall include all territories from time to time comprised in the Union of India.

4. *Provided that notwithstanding any thing hereinabove contained the Company shall not carry on any business falling within the purview of the Indian Banking Companies Act and the Indian Insurance Act.*
5. *The liability of the Members is limited.*
- 6.<sup>5</sup> *The Share Capital of the Company is Rs. 10,00,00,00,000 divided into 1,00,00,00,000 shares of Rs. 10/- each, with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Indian Companies Act or provided by the Articles of Association of the Company for the time being.*

- 
5. The words "The share capital of the Company is Rs. 10,00,00,00,000/- divided into 1,00,00,00,000 shares of Rs. 10/- each" were substituted in place of the words "The share Capital of the Company is Rs. 450,00,00,000/- divided into 45,00,00,000 equity shares of Rs. 10/- each" by a Special Resolution passed through Postal Ballot on the 21st day of July, 2010.

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

Name of the subscribers	Addresses and descriptions of the Subscribers	Number of shares taken by each Subscriber	Witness to Signature
Sd/- R. VARADACHARI	Govt. Pensioner, Oceans, Marine Drive, Bombay.	One hundred	Sd/- S. Ramaswami Ayangar, Executive Officer, Directorate General of Shipping, Bombay.
Sd/- M. F. RAHMAN	Govt. Service, C/o. New Custom House, Bombay.	One hundred	
Sd/- R. SRINIVASAMURTI	Govt. Servant, Cambridge Court, Peddar Road, Bombay.	One hundred	
Sd/- D. M. KHATAU	Merchant, Laxmi Buildings, Ballard Estate, Bombay.	One hundred	
Sd/- SHANTIKUMAR N. MORARJEE	Merchant, Scindia House, Bombay.	One	Sd/- N. N. Vakil, Asstt. Manager, Scindia S. N. Co. Ltd., Ballard Estate, Bombay.
Sd/- S. J. PANDYA	Merchant, Scindia House, Bombay.	One	
Sd. S. N. HAJI	Merchant, Scindia House, Bombay.	One	

Dated this 24th day of March, 1950.

THE COMPANIES ACT, 1956 (I of 1956)  
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION  
OF  
THE SHIPPING CORPORATION OF INDIA LIMITED

PRELIMINARY

1. No regulations contained in Table "A" in the First Schedule to the Companies Act, 1956, shall apply to this Company but the regulations for the management of the Company and for the observance of the members thereof and their representatives, shall subject to any exercise or the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulation by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.

*Table "A" not  
to apply to be  
governed by  
these Articles.*

INTERPRETATION

2. In the interpretation of these Articles, unless repugnant to the subject or context

*Interpretation  
Clause*

"The Company" or "This Company" means THE SHIPPING CORPORATION OF INDIA LIMITED.

*The Company or  
This Company*

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

*The Act*

"Articles" or "the Articles" or "these Articles" means and includes the Articles of Association of the Shipping Corporation of India Limited or any alteration thereof for the time being in force.

*Articles*

"Auditors" means and includes those persons appointed as such for the time being by the Central Government on the advice of the Comptroller & Auditor General of India.

*Auditors*

"Board" or "Board of Directors" means a meeting of the Directors duly called and constituted, or as the case may be the Directors assembled at a Board.

*Board or Board of  
Directors*

"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

*Capital*

"Comptroller and Auditor General" means the Comptroller and Auditor General of India as defined by the Constitution of India.

*Comptroller and  
Auditor General*

"Debenture" includes debenture-stock.

*Debenture*



<i>Directors</i>	"Directors" means the Directors for the time being of the Company, or as the case may be, the Directors assembled at a Board.
<i>Dividend</i>	"Dividend" includes bonus.
<i>Gender</i>	Words importing the masculine gender a/so include the feminine gender.
<i>in Writing and Written</i>	"In Writing" and "Written" include printing, lithography and other modes of representing or reproducing words in visible form.
<i>Member</i>	"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company.
<i>Meeting or General Meeting</i>	"Meeting" or "General Meeting" means a meeting of Members.
<i>Annual General Meeting</i>	"Annual General Meeting" means a general meeting of the Members held in accordance with the provisions of Section 166 of the Act and any adjourned holding thereof.
<i>Extraordinary General Meeting</i>	"Extraordinary General Meeting" means an extraordinary general meeting of the Members duly called and constituted and any adjourned holding thereof.
<i>Month</i>	"Month" means a calendar month.
<i>Non-retiring Director</i>	"Non-retiring Director" means a director not subject to retirement by rotation.
<i>Office</i>	"Office" means the Office for the time being of the Company.
<i>Paid-up</i>	"Paid-up" includes capital credited as paid up.
<i>Persons</i>	"Persons" includes companies and firms as well as individuals.
<i>The President of India</i>	"President" means the President of the Republic of India as defined by the Constitution of India and includes an order made and executed in the name of the President of India and authenticated as provided by the Constitution of India.
<i>Register of Members</i>	"Register of Members" means the Register of Members to be kept pursuant to Section 150 of the Act.
<i>The Registrar</i>	"The Registrar" means the Registrar of Companies of the State in which the Office of the Company is for the time being situated.
<i>Secretary</i>	"Secretary" means the Secretary within the meaning of Clause (c) of subsection (i) of Section 2 of the Company Secretaries Act, 1980 (56 of 1980) and includes any other individual possessing the prescribed qualification and appointed to perform the duties which may be performed by a Secretary under this Act and any other ministerial duties.
<i>Seal</i>	"Seal" means the Common Seal for the time being of the Company.
<i>Share</i>	"Share" means a share in the Capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa. *Singular Number*

"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 189 of the Act. *Ordinary Resolution and Special Resolution*

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

Subject as aforesaid, any word or expression defined in the Act, shall, except where the subject or context forbids bear the same meaning in these Articles.

The marginal notes used in these Articles shall not affect the constructions hereof.

**CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

3<sup>1</sup>. The Authorised Share Capital of the Company is Rs. 10,00,00,00,000 (Rupees one thousand crores only) divided into 1,00,00,00,000 (one hundred crores only) shares of Rs. 10/- (Rupees ten only) each. *Amount of Capital*

4. Subject to the approval of the President of India as per the provisions of Article 150 the Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at general meeting of the *Increase of Capital by the Company and how carried into effect*

Inserted new Article 4A in the Articles of Association after Article 4 vide Special Resolution passed at the Annual General Meeting held on 23.09.2011

4A. The Company in General meeting upon the recommendation of the Board may consider offering shares of the Company to its employees including whole-time functional directors under Employees Stock Option Plan directly or through a Committee, appointed by the Board. The allotment of such shares under this plan shall be in terms of the extant provisions in the Companies Act, 1956, Rules, Regulation and Guidelines of all the applicable Statutes, from time to time.

*Increase of Capital by the Company pursuant to offer of shares under Employees Stock Option Scheme*

forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. Subject to the provisions of Section 80 of the Act and subject to the approval of the President of India as per the provisions of Article 150, the *Redeemable Preference Shares*

1. Amended vide Special Resolution passed through Postal Ballot on 21st day of July, 2010. — \*The Authorised Share Capital of the Company is Rs. 450,00,00,000 (Rupees four hundred and fifty crores only) divided into 45,00,00,000 (forty five crores only) shares of Rs. 10/- (Rupees ten only) each.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa. *Singular Number*

"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 189 of the Act. *Ordinary Resolution and Special Resolution*

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

Subject as aforesaid, any word or expression defined in the Act, shall, except where the subject or context forbids bear the same meaning in these Articles.

The marginal notes used in these Articles shall not affect the constructions hereof.

### CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3<sup>1</sup>. The Authorised Share Capital of the Company is Rs. 10,00,00,00,000 (Rupees one thousand crores only) divided into 1,00,00,00,000 (one hundred crores only) shares of Rs. 10/- (Rupees ten only) each. *Amount of Capital*

4. Subject to the approval of the President of India as per the provisions of Article 150 the Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act. *Increase of Capital by the Company and how carried into effect*

5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. *New Capital same as Existing Capital*

6. Subject to the provisions of Section 80 of the Act and subject to the approval of the President of India as per the provisions of Article 150, the *Redeemable Preference Shares*

1. Amended vide Special Resolution passed through Postal Ballot on 21st day of July, 2010. — \*The Authorised Share Capital of the Company is Rs. 450,00,00,000 (Rupees four hundred and fifty crores only) divided into 45,00,00,000 (forty five crores only) shares of Rs. 10/- (Rupees ten only) each.

Company shall have the power to issue Preference Shares which shall be redeemed not later than ten years from the date of its issue and the resolution authorising such issue shall prescribe the manner terms and conditions of redemption.

*Provisions to apply  
on issue of  
Redeemable  
Preference Shares*

7. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect:

- a. no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- b. no such shares shall be redeemed unless they are fully paid;
- c. the premium, if any payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
- d. where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there, shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.

*Reduction of  
Capital*

8. The Company may (Subject to the provisions of Sections 78, 80 and 100 to 105 inclusive, of the Act) and subject to the approval of the President of India as per the provisions of Article 150 from time to time by Special Resolution, reduce its share capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law and in particular capital may be paid off on the footing that it may be called upon again or otherwise. This article is not to derogate from any power the Company would have if it were omitted.

*Sub-division  
Consolidation and  
cancellation of  
Shares*

9. Subject to the provisions of Section 94 of the Act and subject to the approval of the President of India as per the provisions of Article 150, the Company in General Meeting may, from time to time, subdivide or consolidate its shares or any of them. Subject as aforesaid the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

10. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 10 and 107 of the Act and subject to the approval of the President of India as per the provisions of Article 150 be varied, modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by the President of India as per the provisions of Articles 150 and by the holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class.

*Modification of Rights*

### SHARES AND CERTIFICATES

11. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a Branch Register of members resident in that State or Country.

*Register and Index of Members*

- a. Notwithstanding anything herein contained a person whose name is at any time entered, in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons, who hold the beneficial interest in such share in the manner provided in Section 187-C of the Act;
- b. A person who holds a beneficial interest in a Share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in Section 187-C of the Act;
- c. Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 187-C of the Act;
- d. Notwithstanding anything herein contained in Section 153 of the Act and Sub-Article (a), (b), (c) above, where any declaration

*Declaration by person not holding beneficial interest in any Shares*

referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

*Share to be numbered progressively and no share to be subdivided*

12. The shares in the capital shall be numbered consecutively according to their several denominations and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

*Further Issue of Capital*

13. (a) *Subject to the provisions of the Act where at any time after the expiry of two years from the formation of the Company or the expiry of one year from the allotment of shares made for the first time after its formation whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then 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 these shares as on that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than twenty-eight days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board subject to the approval of the President of India as per the provisions of Article 150 may dispose of them in such manner as they think most beneficial to the Company.*

(b) Notwithstanding anything contained in the preceding sub clause but subject to the approval of the President of India as per the provisions of Article 150 the Company may offer further shares to any person, whether or not those persons include the persons who at the date of the offer are holders of the equity shares of the Company, in any manner whatsoever:

- i) by a special resolution; or
- ii) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll as the case may

be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who being entitled so to do, vote in person, or where proxies are allowed, by proxy exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government and the President of India is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

- (c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81(3) of the Act and the approval of the President of India as per the provisions of Article 150, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares, or to subscribe for shares in the Company.

14. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors; who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Section 78 and 79 of the Act) at premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

*Shares under  
control of Directors*

15. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14 the Company in General Meeting may, subject to the provisions of Section 81 of the Act and subject to the approval of the President of India as the provisions of Article 150, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting

*Power also to  
Company in  
General Meeting to  
Issue Shares*

or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

*Acceptance of Shares*

16. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a Member.

*Deposit and Call etc. to be a debt payable immediately*

17. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

*Liability of Members*

18. Every Member, or his heirs, executors, or administrators shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

*Share Certificate*

19. (a) Every Member or allottee of shares shall be entitled without payment to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter or allotment or its fractional coupons of requisite value, save in case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the Seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two directors or their Attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits or it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole time Director. Particulars of every share Certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.



- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such Joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act, as amended from time to time.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
20. (a) No certificate of any share or shares shall be issued either in exchange for those which are subdivided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. *Renewal of Share Certificates*
- (b) *When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. subdivided/ replaced on consolidation of shares".*
- (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
- (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewal and Duplicate Certificates indicating against the name of the persons

to whom the certificate is issued the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" Column.

- (f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in Sub- Article (f).
- (h) All books referred to in Sub-Article (g) shall be preserved in good order permanently.

*The First Named of  
Joint-holders  
deemed sole  
holders*

21. If any share stands in the name of two or more persons, the person first named in the Register of Members shall as regards receipt of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as Jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

*Company not  
bound to recognise  
any interest in  
share other than  
that of Registered  
holder*

22. Except as ordered by a Court of competent Jurisdiction or as by law required, the Company shall not be bound to recognise any equitable contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

23. None of the funds, of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription on any shares in the Company or in its holding Company save as provided by Section 77 of the Act.

*Funds of Company may not be applied in purchase of shares of the Company*

#### UNDERWRITING AND BROKERAGE

24. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and half percent of the price at which the debentures are issued, or such higher rate or rates as may be permissible under any statutory provision for the time being in force. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

*Commission may be paid*

25. The Company may pay a reasonable sum for brokerage.

*Brokerage*

#### INTEREST OUT OF CAPITAL

26. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

*Interest may be paid out of capital*

#### CALLS

27. Subject to the approval of the President of India as per the provisions of Article 150. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at all time and places appointed by the Board. A call may be made payable by installments.

*Directors may make calls*

*Calls on shares of same class to be made on uniform basis*

28. Whenever any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.

*Notice of calls*

29<sup>2</sup>. Fifteen days' notice in writing of any call or such further period as the Board may determine shall be given by the Company specifying the time and place of payment, and the person or persons to whom such calls shall be paid.

*Calls to date from Resolution*

30. A call shall be deemed to have been made at the time when the resolution authorising such calls was passed at a meeting of the Board and may be made payable by the Members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as may be fixed by the Board.

*Call may be revoked or postponed*

31. A call may be revoked or postponed at the discretion of the Board.

*Liability of Joint-holders*

32. The joint holder of a share shall be jointly and severally liable to pay all calls in respect thereof.

*Directors may extend time*

33. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who from residing at a distance or other cause, the Board may, deem fairly entitled to such extension but no Member shall be entitled to such extension, save as a matter of grace and favour.

*Calls to carry interest*

34. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

*Sums due to be calls*

35. 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 share or by way of premium, shall for the purpose of these Articles be deemed to be a call duly made payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions

2. Amended vide Special Resolution passed at AGM held on 8.12.99. – 'Fifteen days' notice in writing of any call or such further period as the President of India may determine shall be given by the Company specifying the time and place of payment, and the person, or persons to whom such calls shall be paid.

of these articles as to payment of interest and expenses and for forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

36. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove

*Proof on (trial of  
suit for money  
due on shares*

- (a) that the name of the Member in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered;
- (b) that the resolution making the call is duly recorded in the Minute Book and
- (c) that notice of such call was duly given to the Member or his representatives issued in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid designated as (a), (b) and (c) above shall be conclusive evidence of the debt.

37. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

*Partial payment  
not to preclude  
forfeiture*

38. (a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time the amount so

*Payment in  
anticipation of calls  
may carry interest*

advanced or may at any time repay the same upon giving to the Member three month's notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or participate in profits.

- (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

*Company to have  
lien on shares*

39. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) 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, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

*As to enforcing lien  
by sale*

40. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such share and may authorise one of their Member to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him on them in payment, fulfilment, or discharge of such debts, liabilities or engagement for fourteen days after such notice.

*Application of  
proceeds of sale*

41. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of sale.

#### FORFEITURE OF SHARES

*If money payable  
on shares not paid  
notice to be given  
to Member*

42. If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

43. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment, is payable, will be liable to be forfeited.

*Form of Notice*

44. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice is given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share not actually paid before the forfeiture.

*In default of payment, shares to be forfeited*

45. When any share shall have been so forfeited notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

*Notice of forfeiture to a Member*

46. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any person, upon such terms and in such manner as the Board shall think fit.

*Forfeited share to be property of the Company and may be sold etc.*

47. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

*Member still liable to pay money owing at time of forfeiture and interest*

48. The forfeiture of a share shall involve extinction, at the time of the 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, except only such of those rights as by these Articles are expressly saved.

*Effect of forfeiture*

49. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be

*Evidence of forfeiture*

conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

*Validity of sale  
under Articles  
40 and 46*

50. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and may cause the purchaser's name to be entered in the Register in respect of the shares sold, and the Purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

*Cancellation of  
share certificates in  
respect of forfeited  
shares*

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

*Power to annul  
forfeiture*

52. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

### TRANSFER AND TRANSMISSION OF SHARES

*Register of  
Transfers*

53. The Company shall keep a "Register of Transfer" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

*Form of Transfer  
Presented*

54. The Instrument of Transfer shall be in writing and all the provisions of Section 108 of the Companies Act, and or any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and their restrictions thereof.

*Transfer form to be  
completed and  
presented to the  
Company*

55. The Instrument of transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in



respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.

56. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated to close the Transfer Books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding in the aggregate forty-five days in each year, and thirty days at one time.

*Transfer Books and Register of Members when closed*

57. Subject to the provisions of Section 111 of the Act, the Board may, at its discretion, decline to register or acknowledge any transfer of shares (whether fully paid or not and notwithstanding that the proposed Transferee be already a Member), but in such case it shall, within one month from the date on which the Instrument of Transfer was lodged with the Company, send to the Transferee and the Transferor notice of the refusal to register such transfer giving reasons for such refusal provided that the registration of a transfer shall not be refused on the ground that the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.

*Directors may refuse to register transfers*

58. Where, in the case of partly paid share, an application for registration is made by the transferor, the Company shall give notice of the application to the Transferee in accordance with the provisions of Section 110 of the Act.

*Notice of application, when to be given*

59. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

*Death of one or more joint-holders of shares*

60. The executors or administrators of holders of a Succession Certificate or the legal representatives of a deceased Member (not being one or two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its

*Title to shares of deceased Member*

absolute discretion may think necessary and under Article 62 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member,

*No transfer to  
Minor, Insolvent  
etc.*

61. No share shall in any circumstances be transferred to any minor, Insolvent or person of unsound mind.

*Registration of  
persons entitled to  
share otherwise  
than transfer*

62. Subject to the provisions of the Act and Articles 59 and 60 any person becoming entitled to share in consequence of the death, lunacy, bankruptcy, insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which title as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an Instrument of Transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares. This clause is hereinafter referred to as the "transmission clause".

*Persons entitled  
may receive  
dividend without  
being registered as  
Member*

63. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share.

*Fee on transfer or  
transmission*

64. The Company shall not charge any fee in respect of the transfer or transmission of any number of shares.

*Company not liable  
for disregard of a  
notice prohibiting  
registration of a  
transfer*

65. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or to be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

**COPIES OF MEMORANDUM AND ARTICLES  
TO BE SENT TO MEMBERS**

66. A copy of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of Rupee One for each copy.

*A copy of Memorandum & Articles of Association to be sent by the Company*

**BORROWING POWERS**

67. Subject to the provisions of Sections 58A, 292 and 293 of the Act and subject to the approval of the President of India as per the provisions of Articles 150, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys 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) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

*Power to Borrow.*

68. Subject to the provisions of Article 67 hereof and subject to the approval of the President of India as per the provisions of Article 150, 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 Special Resolution shall prescribe including by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

*Payment or repayment of moneys borrowed*

69. Subject to the approval of the President of India as per the provision of Article 150, any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares 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 Company in General Meeting accorded by a Special Resolution.

*Terms of issue of Debentures*

*Register of  
Mortgages etc.  
to be kept*

70. The Board shall cause a proper Register to be kept in accordance with the provisions of Sections 133 and 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.

*Register and Index  
of Debenture  
holders*

71. The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any state or country outside India branch Register of Debenture holders resident in that State or country.

### SHARE WARRANTS

*Power to issue  
share warrants*

72. The Company may issue share warrants subject to, and in accordance with, the provisions of Section 114 and 115 of the Act and accordingly the Board may in its discretion, with respect to any share which is fully paid, upon application in writing, signed by the person registered as holder of the share, from time to time, require as to identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

*Deposit of share  
warrant*

73. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposits, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.
- (2) Not more than one person shall be recognised as depositor of the share warrant.
- (3) The Company shall, on two days, written notice, return the deposited share warrant to the depositor.
74. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant and he shall be a Member of the Company.

75. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

*Issue of new share warrant or coupon*

### CONVERSION OF SHARES INTO STOCK AND RECONVERSION

76. Subject to the approval of the President of India as per the provisions of Article 150 the Company in General Meeting may convert any paid up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred if no such conversion had taken place or as near thereto as circumstances, will admit. The Company may at any time convert any stock into paid up shares of any denomination.

*Shares may be converted into stock*

77. 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 of winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

*Right of Stock-holders*

### MEETING OF MEMBERS

78. The Company shall within a period of not less than one month nor more than six months from which it is entitled to commence business, hold the Statutory Meeting of the Members of the Company subject to and in accordance with the provisions of Section 165 of the Act.

*Statutory Meeting*

79. The Company shall in each year, hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more

*Annual General Meeting*

than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(i) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the city in which the office of the Company is situate as the Board may determine and the notice calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors Report and Audited Statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with Proxies and the Register of Directors' shareholding while latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Section 159, 161 and 220 of the Act.

*Extra-ordinary  
General Meeting*

80. The Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

*Requisition of  
Members to state  
object of meeting*

81. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

*On receipt of  
requisition  
Directors to call  
Meeting and in  
default  
requisitionist may  
do so*

82. Upon the receipt of any such requisition, the Board shall forthwith call an Extra ordinary General Meeting and if they do not proceed within twentyone days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the

Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the Meeting, but in either case any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

83. Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

*Meeting called by  
requisitionists*

84. Save and except the Statutory Meeting twenty one days' notice at least of every General Meeting, Annual or Extraordinary, and by whomsoever called, specifying the day, place and hour of Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such person as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other Meeting, with the consent of the Members holding not less than 95 percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by a shorter notice. In the case of an Annual General Meeting if any business other than —

*Twenty one days'  
notice of Meeting  
to be given*

- i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors,
- ii) the declaration of dividend,
- iii) the appointment of Directors in place of those retiring,
- iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other Meeting in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager (if any). Where any such item or special business relates to, or affects any other Company, the extent of share holding interest in the other Company, the extent of share holding interest in the other Company of every Director, and the Manager, if any of the Company of every Director, and the Manager, if any of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 2 percent of the paid up share capital of that other Company. Where any item of business consists of the according of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

*Omission to give notice not to invalidate a resolution passed*

85. The accidental omission to give any such notice as aforesaid to any of the Members, or the non receipt thereof shall not invalidate any resolution passed at any such Meeting.

*Meeting not to transact business not mentioned in notice*

86. No General Meeting, Annual or Extra ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

*Quorum at General Meeting*

87. Five Members present in person shall be a quorum for a General Meeting.

*Body corporate deemed to be personally present*

88. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

*If quorum not present. Meeting to be dissolved or adjourned*

89. If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum shall not be present, the Meeting, if convened by or upon the requisition of Members, shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in the city or town in which the Office of the Company is for the time being situate, as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.

*Chairman of General Meeting*

90. The Chairman (if any) of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extra ordinary. If there be no such Chairman of the Board, or if at any Meeting he shall not be present within fifteen minutes of the time appointed for holding such Meeting or if he shall be unable or unwilling to take the chair then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their number to be Chairman.

*Business confined to election of chairman whilst chair vacant*

91. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.

*Chairman with consent may adjourn Meeting*

92. The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place where the Registered Office is situated. But no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.



93. At any General Meeting, a resolution put to the vote of the Meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five Members having the right to vote on the resolution and present in person or by proxy or by the Chairman of the Meeting or by any Member or Members holding not less than one-tenth of the total voting power in respect of the resolution, or by any Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one tenth of the total sum paid on all the shares conferring that right, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

*Questions at  
General Meeting  
how decided*

94. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

*Chairman's  
casting vote*

95. If a poll is demanded as aforesaid the same shall subject to Article 97 be taken at such time (not later than forty eight hours from the time when the demand was made) and place in the City or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at one or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

*Poll to be taken  
if demanded*

96. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

*Scrutineers at poll*

97. Any poll duly demanded on the election of Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting forthwith.

*In what case poll  
taken without  
adjournment*

*Demand for poll  
not to prevent  
Transaction of  
other business*

98. The demand for a poll except on the questions of the election of the Chairman and on an adjournment shall not prevent the continuance of Meeting for the transaction of any business other than the question on which the poll has been demanded.

*Representation of  
the President of  
India at the  
meeting of the  
Company*

99. The President of India may, so long as he is a Member of the Company within the meaning of the Act, authorise from time to time such person (whether a member of the Company or not) as he thinks fit to act as his representative at any general meeting of the Company or at any meeting of any class of members of the Company.

100. The President of India may, if he is a creditor (including a holder of debentures) of the Company within the meaning of the Act, authorise from time to time, such person as he thinks fit to act as his representatives at any meeting of any creditors of the Company held in pursuance of the Act or of any rules made thereunder or in pursuance of the provisions contained in any debenture or trust deed as the case may be.

101. The President of India may, from time to time revoke or cancel any authorisation made under Article 99 or Article 100 of these Article and make any fresh authorisation or authorisations.

102. The production at the meeting of the Company or of any creditors of the Company of an order made and executed in the name of the President of India and authenticated as provided by the Constitution of India in respect of such authorisation, revocation or cancellation as aforesaid shall be accepted by the Company as sufficient and conclusive evidence thereof

103 Any person authorised by the President of India to represent him as aforesaid may, if so authorised by the order of the President of India, appoint another person (whether a member or not) as a proxy or substituted authority, whether special or general to represent the President of India as aforesaid.

104. Any person authorised or appointed as aforesaid shall be entitled to exercise the same rights or powers (including the right to vote by proxy) on behalf of the President of India whom he represents as the President of India could exercise as a member, creditor or holder of debentures of the Company.

#### VOTE OF MEMBERS

*Members in arrears  
not to vote*

105. No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of Lien.

106. Subject to the provisions of the Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands every Member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid up equity share capital of the Company. Provided, however, if any preference shareholder be present at any Meeting of the Company, save as provided in clause (b) of Sub- Section (2) of Section 87, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference shares.

*Number of votes of which member Entitled*

107. On a poll taken at a meeting of the Company, Member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

*Casting of votes to a Member entitled to more than one vote*

108. A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in cases of lunacy, may vote, whether on a show of hands or upon a poll in respect of any shares registered in his name and any such committee or guardian may, on poll vote by proxy, if any Member be a minor the vote in respect of his share or shares shall be by his guardian, or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the Meeting.

*How Members non-composment is and minor may vote by his committee or other legal guardian*

109. If there be Joint registered holders of any shares, any one of such persons may vote at any Meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the Meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

*Votes of joint-member*

110. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights

*Voting in person of by proxy*

and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

*Votes in respect of shares of deceased and insolvent Member*

111. Any person entitled under Article 62 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

*Appointment of Proxy*

112. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the Meeting,

*Proxy for specified Meeting*

113. An instrument of proxy shall appoint a proxy for the purpose of a particular Meeting specified in the instrument and any adjournment thereof.

*Proxy to vote only on Poll*

114. A Member present by proxy shall be entitled to vote only on a poll.

*Deposit of instrument of appointment*

115. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the office not later than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

*Form of Proxy*

116. Every instrument of proxy whether for a specified Meeting or otherwise shall as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

*Validity of votes given by proxy notwithstanding death of Member*

117. A vote given in accordance with the terms of a instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

*Time for objections of votes*

118. No objection shall be made to the validity of any vote, except at any Meeting or poll at which such vote shall be tendered and every vote whether

given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

119. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of poll shall be the sole judge of the validity of every vote tendered at such poll.

*Chairman of the Meeting to be the Judge of validity of any vote*

#### MINUTES OF MEETING

120. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept within thirty days of the conclusion of every such Meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered.

*Minutes of General Meeting and inspection thereof by Members*

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated, signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

(3) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of Officers made at any Meeting aforesaid shall be included in the minutes of the Meeting.

(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the Meeting;

(a) is or could reasonably be regarded as defamatory of any person, or

(b) is irrelevant or immaterial to the proceedings, or

(c) is detrimental to the interests of the Company.

The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non inclusion of any matter in the minutes on the aforesaid grounds,

(7) Any such minutes shall be evidence of the proceedings recorded therein.

- (8) The book containing the Minutes of Proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

## DIRECTORS

*Number of  
Directors*

121<sup>3</sup>. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act the number of the Directors shall not be less than three and not more than sixteen.

*President of India's  
powers to appoint  
Directors*

122. The President of India shall be entitled by a notice in writing addressed to the Company by an order made and executed in the name of the President of India and authenticated as provided by the Constitution of India to appoint such number of persons as shall, together with the Managing Director and other Directors including whole-time Directors not exceeding one-third of the total number of Directors for the time being of the Company, as Director or Directors of the Company and to remove such person or persons from office and on a vacancy being caused in such office from any cause whatsoever whether by resignation, retirement, death, removal or otherwise, of any such person or persons so appointed, to appoint another or others to fill such vacancy. One of the persons so appointed as Director by President of India shall be a representative of Ministry of Finance, Govt. of India. An appointment or removal of the Director under this Article shall become effective forthwith upon receipt by the Company of the aforesaid order. The Directors so appointed by the President of India shall not be liable to retire at any General Meeting of the Company.

*Power to appoint  
Ex-Officio Directors*

123. Subject to the approval of the President of India as per the provisions of Article 150 whenever, Directors enter into a contract with any Government, Central State or Local, any bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 and 620 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company, one or more Directors on the Board for such period and upon such conditions as may be

3. Amended vide Special Resolution passed at the EGM held on 21.3.2002. —  
Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act the number of the Directors shall not be less than three and not more than fourteen.

mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. Subject to the provisions of Articles the Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

124. The Board may appoint an Alternate Director recommended for such appointment by the Director (hereinafter called the Original Director) in whose place he is being appointed during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Provided that in the case of an Original Director who is appointed by the President of India under the provisions of Article 122, the Board may appoint an Alternate Director recommended for such appointment by the President of India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

*Appointment of  
Alternate Director*

125. (a) Subject to the provisions of Section 260 of the Act, the Board shall have power at any time and from time to time appoint any other qualified person to be an Additional Director, but so that the total number of Director shall not at any time exceed the maximum fixed under Article 121. Any such additional Director shall hold office only upto the date of the next Annual General Meeting.

*Directors' power to  
appoint additional  
Directors*

(b) Subject to the provisions of Sections 262, 264 and 284(c) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

*Directors power to  
fill casual  
vacancies*

*Qualification of Directors*

126. A Director shall not be required to hold any share Qualification.

*Remuneration of Directors*

127. Remuneration of the Managing Director and all other Directors (whether whole time Directors or not) shall from time to time be determined by the President of India. Such reasonable additional remuneration as may be fixed by the President of India, may be paid to any one or more of the Directors for extra or special service rendered by him or them or otherwise. A Director who is an employee of the Government shall not be entitled to any remuneration unless otherwise provided by the President of India.

*Travelling expenses incurred by Director not a bonafied resident or by Director going out on Company's business*

128. The Directors may allow and pay to any Director who travels for the purpose of attending or returning from meetings of the Board of Directors or any Committee thereof or General Meetings, or in connection with the business of the Company, his travelling and hotel and other expenses incurred by him in consequence or for the purpose of his attendance, and in connection with the business of the Company. The Director may also be paid sitting fees, as may be decided by the Directors from time to time for attending such meetings as above specified and other remuneration payable to him.

*Directors may act notwithstanding tiny vacancy*

129. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum fixed by Article 121 hereof the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting but for no other purpose.

*When Office of Directors to become vacant*

130. Subject to section 283(2) of the Act the Office of a Director shall become vacant if;

- (a) he is found to be of unsound mind by a Court of Competent jurisdiction; or
- (b) he applies to be adjudicated an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
- (e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
- (f) he becomes disqualified by an order of the Court under Section 203 of the Act; or



- (g) he is removed in pursuance of Section 284;
  - (h) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which is director accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or
  - (i) he acts in contravention of Section 299 of the Act; or
  - (j) he is convicted by a court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
  - (k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
  - (l) *he resigns his office by a notice in writing addressed to the Company.*
131. (1) A Director or his relative, firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or Director, may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company, the sanction of the Board and the previous approval of the Central Government as may be required shall be obtained in accordance with Section 297 of the Act. *Director may contract with Company*
- (2) No sanction shall, however, be necessary for -
- (a) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company by any such Director, relative, firm, partner or private company as aforesaid for cash or at prevailing market prices; or
  - (b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/- in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs.5,000 in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

*Disclosure of Interest*

132. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act. Provided that it shall not be necessary for Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into between two companies where any of the Directors of the Company or two or more of them together hold or hold not more than two percent of the paid up share capital in any such other company.

*General notice of interest*

133. A General notice given to the Board by the Director to the effect that he is a director or member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by afresh notice given in the first month of the financial year in which it would have otherwise expired. No such General notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned taken reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

*Interested Directors not to participate or vote in Board's proceedings*

134. No Director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly, or indirectly concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void, provided however, that nothing herein contained shall apply to :

- (a) any contract of indemnity against any loss which Directors, or any one or more of them, may suffer by reason of becoming or being a surety or sureties for the Company;

(b) any contract or arrangement entered into or to be entered into with a Public Company or a Private Company which is a subsidiary of Public Company in which the interest of Director consists solely:

(i) in his being :

- a) a director of such company, and
- b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the Company.

(ii) in his being a member holding not more than 2% of its paid up share capital.

135. The Company shall keep a Register in accordance with Section 301(1) and shall within the time specified in Section 301(2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 133. The Register shall be kept for inspection at the Office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly,

*Register of contracts in which Directors are interested*

136. A Director may be or become a Director of any company promoted by the Company, or in which it may be interested as a Vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.

*Director may be Director of companies promoted by the Company*

137. 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 not three or a multiple of three, the number nearest to one-third shall retire from Office. The non retiring Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire. Subject to provisions of the Act, the Directors to retire by rotation under this Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.

*Retirement by rotation of Directors and ascertainment of Directors retiring by rotation and filling up of vacancies*

*Eligibility for re-election*

138. A retiring Director shall be eligible for re-election.

*Company to appoint successors*

139. Subject to Section 258 of the Act the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

*Provision in default of appointment*

140. (a) If the place of the retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.

(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and that Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned Meeting unless:

- i) at the Meeting or at the previous Meeting resolution for the reappointment of such Director has been put to the Meeting and lost;
- ii) the retiring Director has, by notice in writing addressed to the Company or its Board, expressed his unwillingness to be so appointed;
- iii) he is not qualified or is disqualified for appointment;
- iv) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
- v) the provision to Sub-Section (2) of Section 263 of the Act is applicable to the case.

*Company may increase or reduce the number of Directors*

141. Subject to Section 258 of the Act and subject to the provisions of Article 121 the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles, and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed should hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

142. (1) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless, he or some Member intending to propose him has, not less than fourteen days before the Meeting, left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office, as the case may be along with a deposit of five hundred rupees which shall be refunded to such person, or, as the case may be, to such member, if the person succeeds in getting elected as a director.
- (2) Every person (other than a Director) retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director proposed as a candidate for the office of a Director shall sign and file with the Company the consent in writing to act as a Director if appointed.
- (3) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.
143. (a) The Company shall keep at its office a Register containing the particulars of its Directors, Manager, Secretary and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall in respect of each of as Directors also keep at its office a Register, as required by sub-section (1) of Section 307 of the Act, and shall otherwise comply with the provisions of the said Section.
144. (a) Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company shall within twenty days of his appointment to any of the above offices to any other body corporate disclose to the Company the

*Notice of candidate  
or Office of director  
except in certain  
cases*

*Register of  
Directors etc. and  
notification of  
change to Registrar*

*Register of Shares  
or Debentures held  
by Directors*

*Disclosure by a  
Director of  
appointment to any  
other body  
corporate*

particulars relative to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

- (b) Every Director and every person deemed to be a Director of the Company by virtue, of Sub-section (1) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.

*Right of the president of India to appoint chairman*

145. The President of India shall be entitled by a notice in writing addressed to the Company to appoint any Director as Chairman of the Board of Directors of the Company and to cancel such appointment and on a vacancy being caused in such office from any cause whatsoever whether by such cancellation or by resignation, retirement, death, removal or otherwise, of any such person so appointed, to appoint any Director to fill such vacancy. An appointment or cancellation of the Director under this Articles shall become effective forthwith upon receipt by the Company of the writing aforesaid.

*Right of the President of India to appoint Managing Director & Whole time Directors*

146. The President of India shall be entitled by a notice in writing addressed to the Company to appoint one or more Directors as the Managing Director, or Wholetime Director(s) of the Company and to remove such person from office and on a vacancy being caused in such office from any cause whatsoever whether by resignation, retirement, death, removal or otherwise, of any such person so appointed, to appoint another to fill such vacancy. An appointment or removal of the Director under this Article shall become effective forthwith upon receipt by the Company of the writing aforesaid.

*Restriction on management*

147. Managing Director shall not exercise the power to :
- (a) make calls on shareholders in respect of money unpaid on the shares in the Company.
  - (b) issue debentures, and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the power to :
  - (c) borrow moneys, other than on debentures,
  - (d) invest the funds of the Company; and
  - (e) make loans.

*Certain persons not to be appointed as Managing Director etc.*

148. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or Wholetime Director who:
- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent;

- (b) suspends, or has at any time suspended, payment to his creditors, or makes, or has at any time made, a composition with them; or
- (c) is, or has at any time been; convicted by a Court of an offence involving moral turpitude.

149. *Managing Director shall not while he continues to hold that office be subject to retirement by rotation in accordance with Article 137. If he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director.*

*Special position of  
Managing Director*

#### CONTROL AND DIRECTIONS BY THE PRESIDENT OF INDIA

150. (1) Matters reserved for the consideration of the President of India. The Chairman of the Board may on his own motion and shall, when requested by the Managing Director in writing reserve for the consideration of the President of India the following matters relating to the working of the Company namely :
- (a) Calling up the unpaid capital or increasing the authorised capital of the company or issuing of any unissued shares forming part of the authorised capital or forming the whole or part of any increase of capital in the event of any increase in capital beyond the authorised capital.
  - (b) (i) Any proposal to borrow at a time exceeding Rs. 15 lakhs.
  - (ii) Any proposal to borrow which will increase the aggregate of such individual borrowing to an amount in excess of 25 per cent of the paid up capital of the Company or Rupees one crore whichever is less.
  - (iii) Any proposal to borrow at a rate of interest exceeding the Reserve Bank rate by more than 1 per cent per annum, if the Managing Director considers that such a rate of interest is unduly high.
  - (iv)<sup>4</sup> Deleted vide Special Resolution passed at the AGM held on 8.12.99.
  - (c) *Issue of Debentures*
  - (d)<sup>5</sup> \*Deleted.

4. Any proposal for investment in a particular type of security or shares. If such investment exceeds Rs. 10 lakhs (Rupees ten lakhs).

5. Deleted vide Resolution passed at the AGM held on 29.09.2008

- (e) Voluntary winding up of the Company.
- (f) Any important matter relating to the Company's Establishment.
- (g) Any other matter which in his opinion involves an important issue of general policy.

No action shall be taken by the Company in respect of any matter reserved for the consideration of the President of India as aforesaid until his approval to the same has been obtained.

- (2) Nothing withstanding anything contained in any other articles, prior approval of the President of India should be obtained in respect of:
  - (a)<sup>6</sup> *Appointment to the posts of Board level Directors and Chief Vigilance Officer.*
  - (b) *appointment of any foreign national to any post in the Company.*
  - (c) *schemes, purchases and contracts involving capital outlay which is in excess of the powers vested in the Board under Article 151.*
  - (d)<sup>7</sup> *disposal of property (other than ships) having an original book value of Rs.1 crore (Rupees one crore) and above.*
  - (e)<sup>8</sup> *formation of a subsidiary company or companies of the Company, setting up Joint Venture Companies in India and abroad, acquiring other companies or merging the acquired entities amongst themselves which are exceeding the limits or conditions or are otherwise not covered under the provisions of Article 166 of the Articles of Association of the Company.*
- 6. Amended vide Resolution passed at the AGM held on 29.9.2008- Appointment to posts where the pay (including pension and pensioner equivalent of retirement benefits) exceeds Rs.5700/- per month or where the minimum of pay scale is Rs.5700/- or more of persons who have already attained the age of 58 years.
- 7. Amended vide Special Resolution passed at the AGM held on 8.12.1999- Disposal of property (other than ships) having an original book value of Rs.10 lakhs (Rupees ten lakhs) and above and sale of ships (which has not completed its economic life) to a foreign buyer and sale of ships for scrapping (which has not completed its economic life); and Amended vide Special Resolution passed at the AGM held on 15.9.1994- Disposal of property (other than ships) having an original book value of Rs.1 Crore (Rupees one crore) and above and sale of ship (which has not completed its economic life) to a foreign buyer and sale of ships for scrapping (which has not completed its economic life).
- 8. Amended vide Special Resolution passed at the AGM held on 29.9.2008- Formation of a subsidiary company or companies of the Company, setting up Joint Venture Companies in India and abroad, acquiring other companies or, merging the acquired entities amongst themselves.
- 9. Amended vide Special Resolution passed through Postal Ballot on 22.2.2016- disposal of property (other than ships which are economically not viable) having an original book value of Rs.1 crore (Rupees one crore) and above.



## PROVIDED THAT :

Notwithstanding anything contained elsewhere in the Articles, no such prior approval of the President shall be required, subject to provision of the Act, to form wholly or partly owned companies or subsidiaries in India or acquiring other companies or merging the acquired entities amongst themselves or joint venture in India in cases, where powers have been delegated to the Board by the Government.

- (f) any proposal for action relating to the reduction of capital.
  - (g) any proposal for action relating to the amount of capital to be raised and the terms and conditions thereof.
  - (h)<sup>9</sup> *Agreements involving foreign collaboration proposed to be entered into by the Company which is in excess of powers vested in Board under Article 166.*
- (3) The Company shall, whenever its Revenue Budget for any financial year shows an element of deficit which is proposed to be met by obtaining funds from the Government submit the same to the President of India for his approval.
  - (4) The President of India may call for such returns, accounts and other information with respect to the property and activities of the Company as he may require from time to time.
  - (5) The Company shall submit its five year and annual plans of development and its Capital Budget to the President of India for his prior approval.
  - (6) Notwithstanding anything contained in any of these Articles, the President may from time to time issue such directions or instructions as he may consider necessary in regard to the affairs or the conduct of the business of the Company or Directors thereof and in like manner may vary and annul any such directions or instructions. The President may also issue such directions or instructions to the Company as to the exercise and performance of its functions in matters involving national security or public interest and in like manner may vary or annul any such directions or instructions. The Company shall be bound to give effect to any such directions or instructions. Provided that if at the direction of the President of India, the Company establishes, alters or continues to maintain any trade, line routes or service or

---

9. Amended vide Special Resolution passed at the AGM held on 29.9.2006 and 29.9.2008 — Agreements involving foreign collaboration proposed to be entered into by the Company other than those provided in sub clause (e) above

other activity or function and satisfies the President of India that during the relevant financial year the Company has suffered an overall loss in respect of the operation of its trade, route or service and of all its other activities and also that the service or activity so established altered or continued to be maintained in compliance with the directions or instructions of the President of India as aforesaid has been operated at a loss in any financial year, then the President of India shall reimburse the Company to the extent of the loss relatable to the operation of that particular service or activity. Provided further that all directives issued by the President shall be in writing addressed to the Chairman of the Board. The Board shall, except where the President considers that the interest of the national security requires otherwise, incorporate the contents of directives issued by the President in the Annual Report of the Company and also indicate its impact on the financial position of the Company".

*Powers with regard to works of capital nature*

151.<sup>10</sup> \*Without prejudice to the provisions contained in these Articles, and subject to the provisions of the Act, the Directors shall have the following powers with regard to the works of capital nature :

- (i) *To incur capital expenditure on purchase of new items or for replacement, without any monetary ceiling*
- (ii) *All proposals where they pertain to capital expenditure, investment or other matters involving substantial financial or managerial commitments or where they would have a long term impact on the structure and functioning of the Company, should be prepared by or with the assistance of professionals and experts and should be appraised, in suitable cases, by financial institutions or reputed professional organizations with expertise in the relevant areas. The financial appraisal should also preferably be backed by an involvement of the appraising institutions through loans or equity participation.*

10. *Amended vide Special Resolution passed at the AGM held on 29.9/2008 —*

- (i) *To authorise, without reference to the President of India, the undertaking of works of a capital nature including the incurrence of capital expenditure, where Detailed Project Reports have been prepared with estimate of different component parts of relevant Project and where such Project Reports have been approved by President and to invite and accept tenders relating to the works included in the approved Detailed Project Report, including variation, if any, in the approved estimates, provided such variations are not more than 10% for any particular component part and do not substantially change the scope of the Project.*
- (ii) *To authorise the undertaking of works of a capital nature, not covered by Clause (i) above, if required to be taken up in advance of the preparation of a Detailed Project Report or otherwise as individual works including the incurrence of capital expenditure not exceeding Rs.20 crores provided that :-*

- (a) The above will cover expenditure on capital items, including project and scheme, the individual cost of which does not exceed Rs.20 crores provided the item/scheme/project has either figured individually or provided for collectively in lump under the sub-head "Miscellaneous Capital Expenditure" or "Other Capital Items" etc. in the approved Annual Plan of the Company and its Capital Budget approved by the President of India after consideration in the Board of the Company, in terms of Article 150 provided the funds required will be found out of budget allocation for the Company for that financial year; and
- (b) The spill-over of expenditure on such works in subsequent years will be the first call on the respective budget allocation Provided further that as and when Memorandum of Understanding (MOU) is signed by the Company with the Government of India for any particular year, then the provisions with regard to powers of the Board contained in the said MOU would be deemed to be applicable for that year to the Company and the provisions of the Article 151 would be read in conjunction with the said MOU and the said Article 151 would stand modified to that extent. However, if the company is not covered by MOU for a particular year, then the powers of the Board as prescribed in Article 151 would revert back to the position existing then, provided further that no specific or general exemption, approval, order or direction is issued or given by the Government of India (President of India) to the contrary.

Notes: 1.<sup>11</sup> Deleted.

2. *The delegated powers should be exercised by the Board only subject to the prior approval of President of India in Items involving policy matters where specific Government approval is needed.*

#### PROCEEDINGS OF THE BOARD OF DIRECTORS

152. The Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three

*Meeting of  
Directors*

11. Amended vide Special Resolution passed at the AGM held on 29.9.2008 —  
1. The power to incur capital expenditure on township, residential quarters etc. will be within the ceiling of Rs. 50 lakhs subject to the condition that total annual expenditure sanctioned under this delegation of powers on township/residential quarters should not exceed twice this amount.

months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings, as they think fit.

- Notice of Meetings* 153. Notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India, to every other director.
- 
- Quorum* 154. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two third of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such meeting.
- Adjournment of meeting for want of quorum* 155. If a meeting of the Board could not be held for want of a quorum then, the meeting shall stand adjourned to such other date and time (if any) as may be fixed by the Chairman.
- When meeting to be convened* 156. The Secretary shall, as and when directed by any Director to do so, convene a meeting of the Board by giving a notice in writing to every other Director.
- When Chairman is not present for the Board Meeting* 157. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
- Questions by Board how decided* 158. Questions arising at any meeting of the Board of Directors or in resolution to be passed by circular shall be decided by a majority of votes and in the case of any equality of votes, the Chairman shall have a second or casting vote.
- Powers of Board* 159. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.
- Directors may appoint committee* 160. Subject to the restrictions contained in Section 292 of the Act the Board may delegate any of their powers to one or more Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committees of the Board either wholly or in part, and either as to persons or purposes; but every

committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board. The proceedings of such a Committee shall be placed before the Board at their next meeting.

161. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be regulating the meetings and proceedings of the Director, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

*Meetings of  
Committee how to  
be governed*

162. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board, or a Committee, as the case may be), and to all other Directors or Members of the Committee at their usual address in India and has been approved by such of the Directors or Members as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

*Resolution by  
circulation*

163. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

*Acts of Board or  
Committee valid  
not withstanding  
any deficiency in  
appointment*

164. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered.

*Minutes of  
proceedings of  
meetings of the  
Board and  
committee*

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in

such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) *All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.*
- (6) The minutes shall also contain :
  - (a) The name of the Directors present at the meeting; and
  - (b) In the case of each resolution passed at the meeting, the name of the Directors, if any dissenting from or not concurring in the resolution.
- (7) Nothing contained in sub-clause (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting;
  - (a) is, or could reasonably be regarded as defamatory of any person;
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.
- (8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

*Power of Directors*

165. The Board may exercise all such powers of the Company and do all such Power of Directors acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting :

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;
- (b) remit, or give time for the repayment of, any debt due by a Director,
- (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the Compulsory acquisition of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;

Provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or

- (e) *contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceeding whichever is greater.*

166. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article and Articles 150 and 151 it is hereby declared that the Directors shall have the following powers, that is to say, power :

*Certain powers  
of the Board*

- (1) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay and charge to the capital account of the Company commission or interest lawfully payable thereout under the provisions of Section 76 and 208 of the Act.

- (3) Subject to Sections 293 and 360 of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfied.
- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages, or otherwise securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (6) To accept from any Member, as far as may be permissible by law to a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon.
- (9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.



- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Sections 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions covenants and agreements as shall be agreed upon.
- (13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any office or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as part of the working expenses of the Company.
- (15) To provide for the welfare of Directors or ex-Directors or employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist

or to guarantee any charitable, benevolent, religious, scientific national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

- (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or depreciation fund, or to an insurance fund, or as Reserve Fund or any special fund to meet contingencies or to repay debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest Of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of Reserve Fund or division of a Reserve Fund and with full power to employ assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock, and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

- (17)<sup>12</sup> *To appoint, and at their discretion, remove or suspend such group general managers, general managers, managers,*

12. *Amended vide Special Resolution passed at the AGM held on duties, 28.9.2001. — To appoint, and at their discretion, remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and and fix*

*secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general power conferred by this sub-clause.*

- (18) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration.
- (19) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies, therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- (20) At any time and from time to time by power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the board may from time to time think fit; and any such appointment may (if the Board think fit) be made in favour of the members or any of the members of any Local Board established as aforesaid or in

---

their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general power conferred by this sub-clause.

favour of any company, or the shareholders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

(21) Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

(22) From time to time to make, vary and repeal by laws for the regulations of the business of the Company, its officers and servants.

(23)<sup>13</sup> *\*To structure and implement schemes relating to personnel and human resource management, training, voluntary or compulsory retirement schemes etc.*

(24)<sup>14</sup> *\*To delegate the powers relating to Human Resource Management i.e. appointments, transfers, posting etc of below Board level executives to the sub - committees of the Board or the executives of the company, as may be decided by the Board.*

(25) (a) *to establish financial joint ventures and wholly owned subsidiaries in India or abroad with the stipulation that the equity investment of the Company should be limited to be following :-*

*15% of the net worth of the Company in one project limited to Rs. 1000 crores. The overall ceiling of such investment in all projects put together shall be 30% of the net worth of the Company.*

(b) *mergers and acquisitions, subject to the conditions that -*  
 (i) *it should be as per the growth plan and in the core area of functioning of the Company.*

13. *Inserted vide Special Resolution passed at the AGM held on 29.09.2006*

14. *Inserted vide Resolutions passed at the AGM held on 29.09.2006.*

15. *Inserted vide Resolution passed at the AGM held on 29.09.2008.*

- (ii) conditions/limits would be as in the case of establishment joint ventures/subsidiaries.
  - (iii) the Cabinet Committee on Economic Affairs (CCEA) is kept informed in case of investments abroad, and
  - (iv) the same should be exercised in a manner that it should not lead to any change in the public sector character of the Company.
- (c) To enter into technology Joint Ventures or strategic alliance or to obtain by purchase or other arrangements, technology and knowhow.

*The powers under Article 166(25) shall be exercised by the Board in accordance with Article 151(ii) and the Guidelines issued by the Government from time to time.*

(26)<sup>16</sup> *To effect organizational restructuring including establishment of profit centres opening of offices in India and abroad, creating new activity centres, etc.*

(27)<sup>17</sup> *To create and wind up all posts including and up to those of non-Board level Directors i.e. Functional Directors who may have the same pay scales as that of Board level Directors, but who would not be members of the Board. All powers in this respect shall be exercised in accordance with the guidelines issued by the Government prevailing from time to time.*

167. Subject to the provisions of the Act and other provisions of these Articles, the Board may by resolution vest in the Managing director such powers hereby vested in the Board generally as it thinks fit, and such powers may be exercisable for such period or periods and upon such conditions and such restrictions as it may determine. The Managing director shall not exercise powers to :-

- a) make calls on the shareholders in respect of money unpaid for their shares *in the Company and*
- b) issue debentures and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall not exercise powers to
- c) borrow moneys,
- d) invest funds of the Company; and
- e) make loans.

---

16&17. Invested vide Resolution passed at the AGM held on 29.09.2008.

*Secretary*

168. The Directors shall from time to time appoint a Secretary to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors.

### THE SEAL

*The Seal its custody and use*

169. 1) The Board shall provide a Common Seal for the purpose of the Company, and shall have the power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

2) Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Article 19(a).

### DIVIDENDS

*Division of Profits*

170. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up and to the period during the year for which the capital is paid up on the shares held by them respectively.

*The Company in General Meeting to declare a dividend*

171. Subject to the approval of the President of India, the Company in General Meeting may declare dividends to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board but the Company in General Meeting may declare a smaller dividend.

*Dividends only to be paid out of profits*

172. No dividend shall be declared or paid otherwise by the Company for any financial year out of profits for the year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act except

after the transfer to the reserves of the Company of such percentage of its profits for the year as may be prescribed or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :

- (a) If the Company has not provided for depreciation for any previous financial year or years shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of any other previous financial year or years;
- (b) If the Company has incurred any loss in any previous financial year or years the amount of loss or any amount which is equal to the amount provided for depreciation for that year or these years whichever is less shall be set off against the profits of the Company for the years for which the dividend is provided to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Sub-section (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for the year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

173. The Board may, from time to time pay to the Members such interim dividend as in their judgement the position of the Company justifies.

*Interim dividend*

174. Where Capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

*Capital paid up in advance to carry interest but not dividend*

175. 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 provided that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

*Dividends in proportion to amount paid up*

176. The Board may retain dividends payable upon shares in respect of which any person is, under Article 63 entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a Member, in respect of such shares or share duly transfer the same.

*Retention of dividends until completion of transfer under Articles 63*

*Dividend etc. to  
Joint-holders*

177. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

*No Member to  
receive dividend  
whilst indebted to  
the Company and  
Company's right of  
reimbursement  
thereof*

178. No Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

*Transfer of shares  
must be registered*

179. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

*Dividends how  
remitted*

180. Unless otherwise directed any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the Member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.

*Unclaimed dividend*

181. (a) *Where a dividend has been declared by the Company but has not been paid or claimed within fortytwo (42) days from the date of the declaration, to any shareholder entitled to the payment of the dividend, the Company shall, within seven (7) days from the date of expiry of the said period of fortytwo (42) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of fortytwo 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 The Shipping Corporation of India Limited". No unclaimed or unpaid dividend shall be forfeited by the Company.*
- (b) In this Article the expression "dividend which remains unpaid" shall mean any dividend the warrant in respect thereof has not been encashed or which has otherwise not been paid or claimed,
- (c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred



by the Company to the General Revenue A/c of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due.

182. No unpaid dividend shall bear interest as against the Company.

*No interest on dividends*

183. Subject to the approval of the President of India as per the provisions of Article 150 any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the meeting fixes but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Member, be set off against the calls.

*Dividend and call together*

184. Subject to the approval of the President of India as per the provisions of Article 150 :

*Capitalisation*

- (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debentures stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.
- (b) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or in

investments representing the same, or any other undistributed profit of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as capital.

- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

### ACCOUNTS

*Directors to keep  
True Accounts*

185. The Company shall keep at the Registered Office or at such other place in India as the Board thinks fit proper Books of Accounts in accordance with Section 209 of the Act with respect to :

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
- (b) all sales and purchases of goods by the Company;
- (c) the assets and liabilities of the Company.

Where the Board decides to keep all or any of the Books of accounts at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

The Company shall preserve in good order the Books of Accounts relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of accounts.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.

The Books of Accounts shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Accounts shall be kept on actual basis and according to the double entry system of accounting. The Books of Accounts and other Books and papers shall be open to inspection by any Director during business hours. Members shall not be entitled to inspect the books and accounts of the Company except as provided by Law.

186. The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting such Balance Sheets, Profit and Loss Accounts and Reports as are required by these sections.

*Statement of accounts to be furnished to General Meeting*

187. Subject to the approval of the President of India the Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled, to amend the Audited Accounts of the Company of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval.

*Directors to have power to amend the audited a/cs which have been laid before the Company in General Meeting*

188. (1) A copy of every such Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required bylaw to be annexed or attached to the Balance Sheet), shall at least twentyone (21) days before the meeting at which the same are to be laid before the Members, be sent to the Members of the Company, to every trustee for holders of debentures issued by the Company (not being debentures which ex-fade are payable to the bearer thereof), whether such member or trustee is or is not entitled to have notices of General Meetings of the Company sent to all persons other than such Members or trustees being persons so entitled.

*Copies shall be sent to each Member*

Provided that if the copies of the documents aforesaid are made available for inspection at its Office during working hours for a period of twenty one days before the date of the meeting and a

statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit, is sent to every member of the Company and to every trustee for the holders of any debentures issued by the Company not less than twentyone days before the date of Meeting.

- (2) Any Member or holder of debentures of the Company and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand, be entitled to be furnished free of cost with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto, including the Profit and Loss Account and the Auditors' Report.

#### A U D I T

*Appointment &  
Remuneration of  
Auditors*

189. The auditor or auditors to the Company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor General of India and their appointment, remuneration, powers and duties shall be regulated by Sections 224 to 233-B read with Section 619 of the Act.

*Power of the  
Comptroller and  
Auditor General of  
India*

190. The Comptroller and Auditor General of India shall have power to

- (a) to direct the manner in which the accounts of a Company shall be audited by the auditor or auditors appointed in pursuance of Article 189 and to give such auditor or auditors instructions in regard to any matter relating to the performance of his or their functions as such and
- (b) conduct a supplementary or test audit of the accounts of the Company by such person or persons as he may authorise in this behalf and for the purposes of such audit, to require information or additional information to be furnished to any person or persons so authorised, on such matters by such person or persons and in such form, as the Comptroller and Auditor General may by general or special order direct,

*Audit report to be  
submitted to the  
comptroller and  
Auditor General  
and his rights  
relating thereto*

191. The auditor or auditors appointed as aforesaid shall submit a copy of his or their audit report to the Comptroller and Auditor General of India who shall have a right to comment upon or supplement the audit report in such manner as he may think fit and any such comments upon or supplement to the audit report shall be placed before the annual general meeting of the Company at the same time and in the same manner as the audit report. The Company

shall at the same time submit to the President of India, the audited statement of accounts with the Audit Report and Comptroller and Auditor General's comments thereon or supplement to such Audit Report.

### DOCUMENTS AND NOTICES

192. A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

*Service of documents or notices on Members by company*

193. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided, that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a Notice of a Meeting at the expiration of forty eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

*Service By Post*

194. A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

*Service by advertisement*

195. A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the share.

*Service on jointholders*

196. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignee of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

*Service on personal representatives, etc.*

*To whom documents or notice must be served or given*

197. Documents or notices of every General Meeting shall be served or given in some manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a Member, and (c) the Auditor or Auditors for the time being of the Company.

*Members bound by documents or notices served on or given to previous holders*

198. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

*Services of documents or notices by members*

199. All documents or notices to be served or given by Members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the Office.

#### WINDING UP

*Liquidator may divide assets in specie*

200. Subject to the approval of the President of India as per the provisions of Articles 150, The Liquidator on any winding up (whether voluntary under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit.

#### INDEMNITY AND RESPONSIBILITY

*Director's and others right to indemnity*

201. Subject to the provisions of Section 201 of the Act every Director, Managing Director, Manager and other officer or servant or agent or the company shall be indemnified by the Company against and it shall be the duty of the Board to pay, out of the funds of the Company all cost, losses, damages and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such Director, Managing Director, Manager, or other Officer or servant or in any way in the discharge of his duties including travelling expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Managing Director, Manager, or other Officer, or servant in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted by the Court.

202. Subject to the provisions of the Act, no Director, Managing director, Manager or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the Bankruptcy, insolvency or tortuous act of any person with whom any moneys securities or effects shall be deposited or for any loss occasioned by any error of judgement or over sight on his part or for any other loss damage or misfortune whatever which shall happen in the execution of the duties of his Office or in relation thereto unless the same happens through his own negligence, default, breach of duty or breach of trust.

*No Director or Officer liable for acts or default of another*

#### SECURITY CLAUSE

203. (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 Directors, 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 the matter 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 so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No Member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter, which may relate to the conduct of the business or in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

*Secrecy clause*

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

Name of the subscribers	Addresses and descriptions of the Subscribers	Number of shares taken by each Subscriber	Witness to Signature
Sd/- R. VARADACHARI	Govt. Pensioner, Oceans, Marine Drive, Bombay.	One hundred	Sd/- S. Ramaswami Ayangar, Executive Officer, Directorate General of Shipping, Bombay.
Sd/- M. F. RAHMAN	Govt. Service, C/o. New Custom House, Bombay.	One hundred	
Sd/- R. SRINIVASAMURTI	Govt. Servant, Cambridge Court, Peddar Road, Bombay.	One hundred	
Sd/- D. M. KHATAU	Merchant, Laxmi Buildings, Ballard Estate, Bombay.	One hundred	Sd/- N. N. Vakil, Asstt. Manager, Scindia S. N. Co. Ltd., Ballard Estate, Bombay.
Sd/- SHANTIKUMAR N. MORARJEE	Merchant, Scindia House, Bombay.	One	
Sd/- S. J. PANDYA	Merchant, Scindia House, Bombay.	One	Sd/- N. N. Vakil,
Sd. S. N. HAJI	Merchant, Scindia House, Bombay.	One	

Dated this 24th day of March, 1950.