

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)

*ARTICLES OF ASSOCIATION

OF

SMRUTHI ORGANICS LTD

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Annual General Meeting dated 11th August, 2018 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

Table 'F' Excluded:

The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

Table "F" not to apply

The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

Company to be governed by these Articles

I. Interpretation

(1) In these regulations -

"The Company" or "This Company" means SMRUTHI ORGANICS LTD.

"The Company" or "This Company"

"The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force."

"The Act"

"Directors" means a director appointed to the Board of a company.

"Directors"

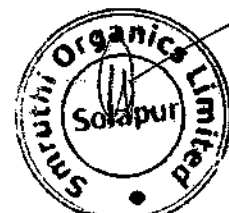
"Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the company.

"Board of Directors" or "Board"

"Articles" means the articles of association of a Company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of this Act.

"Articles"

**amended vide special resolution dated 11th August, 2018.*



“Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act. “Rules”

(2) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be. Expressions in the Articles to bear the same meaning as in the Act

II. Share capital and variation of rights

*1. The Authorised Share Capital of the Company is Rs.12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each with the rights and privileges and conditions of the Company for the time being with power to increase, redeem and reduce the capital of the Company, divide and sub-divide the shares in the capital for the time being, original or increased into several classes and to attach thereto respectively such preferential, deferred, postponed, qualified or special rights, privileges and conditions as to conversion of preferential into equity shares and otherwise as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such right, privileges in such manner as may for the time being provided by the regulations of the Company and to consolidate or lower denomination. Authorised Share Capital of the Company

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of the to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Shares under control of the Board

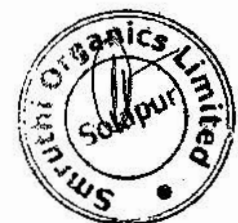
2. (i). Every person whose name is entered as a member in the Register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide - Issue of Certificate

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be signed by any two Directors or by a Director and the Company Secretary, wherever the company has appointed a Company Secretary and shall specify the shares to which it relates and the amount paid-up thereon. Certificate to bear signatures

**amended vide resolution passed at the Postal ballot held on March 3, 2021.*



(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

One certificate for shares held jointly

(iv) A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

Option to receive share certificate or hold shares with depository

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

Issue of new certificate in place of one defaced, lost or destroyed

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the company.

Provisions as to issue of certificates to apply *mutatis mutandis* to debentures, etc.

4. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

Power to pay commission in connection with securities issued

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

Rate of commission in accordance with Rules

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Mode of payment of commission

5. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of

Variation of members' rights



section 48, and whether or not the company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply.

Provisions as to general meetings to apply *mutatis mutandis* to each meeting.

6. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.

Issue of further shares not to affect rights of existing members.

7. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Power to issue redeemable preference shares

8.(1)The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -

Further issue of share capital

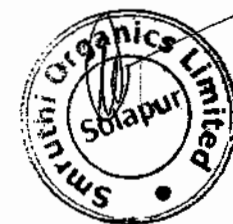
(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

(b) employees under any scheme of employees' stock option; or

(c) any persons, whether or not those persons included in the persons referred to in clause (a) or (b) above.

(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Mode of further issue of shares



Lien

9. (i) The company shall have a first and paramount lien --
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company.
- Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- Company's lien on shares
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- Lien to extend to dividends, etc.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
- Provided that no sale shall be made --
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- Enforcement of lien by sale
11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof
- Validity of sale
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- Purchaser to be registered holder
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- Purchaser not affected
12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- Application of proceeds of sale
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
- Payment of residual money



Calls on shares

- 13.(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Board may make calls
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares. Notice of call
- (iii) A call may be revoked or postponed at the discretion of the Board. Revocation or postponement of call.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments. Call to take effect from date of resolution
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. Liability of joint holders of shares
- 16.(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine. When interest on call or installment payable
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part. Board may waive interest
17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. Sums deemed to be calls
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. Effect of non-payment of sums



18. The Board -

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Payment in anticipation
of calls may carry interest

Transfer of shares

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

Instrument of transfer
to be executed by
transferor and
transferee

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Transferor will be
deemed holder until
name of transferee is
registered

20. The Board may, subject to the right of appeal conferred by section 58 decline to register -

Board may refuse to
register transfer

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien

21. In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless -

Board may decline to
recognize instrument
of transfer

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.



22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Transfer of shares when suspended

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

Transmission of shares

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares

Title of shares on death of the member

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Estate of deceased member liable

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

Transmission clause

(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Board's right unaffected

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

Right to election of holder of share

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

Manner of testifying election

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Limitations applicable to notice



26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Claimant to be entitled to same advantage

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

Dematerialisation/ Rematerialisation of Securities

27. (i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise/rematerialise its securities and/or to offer its fresh securities in a dematerialised/ rematerialised form pursuant to the Depositories Act.

Dematerialization of Securities

(ii) Every person subscribing to securities offered by the company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificate of Securities. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial Owner of the security.

Options for Investors

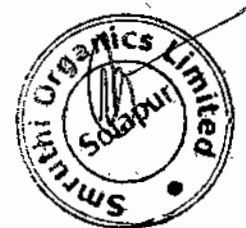
(iii) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 88 and 89 of the Act shall apply to a Depository in respect of securities held by it on behalf of the Beneficial Owners.

Securities in Depositories to be in fungible form

(iv) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.

Rights of Depositories and Beneficial Owners.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.



(c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his/her securities which are held by a Depository.

(v) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of Depository.

Transfer of securities

(vi) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details there of to the Depository immediately on allotment of such securities.

Allotment of securities dealt within a Depository

(vii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

Distinctive numbers of securities held in a Depository

(viii) The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be the Register and index of Members and other Security holders for the purposes of these Articles.

Register and Index of Beneficial Owners

(ix) Except as specifically provided in these articles, provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall applicable to shares held in depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

Provisions of Articles to apply to securities held in Depository.

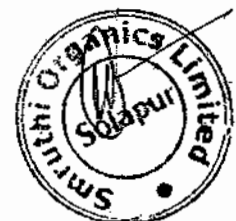
(x) Notwithstanding anything to the contrary contained in the Act or these Articles, where securities are held in a Depository, the records of the beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs or such other means.

Services of documents.

Forfeiture of shares

28. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

If call or installment not paid, notice must be given



29. The notice aforesaid shall --

Form of notice

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

In default of payment, shares to be forfeited

31.(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

Forfeited shares may be sold etc.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Cancellation of forfeiture

32. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

Members still liable to pay money owing at the time of forfeiture

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

Cessation of liability

33.(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

Certificate of forfeiture

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

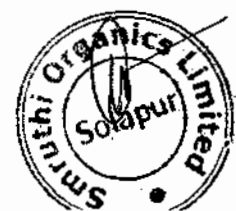
Title of purchaser and transferee of forfeited shares

(iii) The transferee shall thereupon be registered as the holder of the share; and

Transferee to be registered as holder

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Transferee not affected



34. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Sums deemed to be calls

Alteration of Capital

35. Subject to the provisions of section 61, the company may, by ordinary resolution, --

Power to alter share capital

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock, --

Shares may be converted into stock

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

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

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Right of stockholders

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.



37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, –

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

Reduction of Capital

Joint Holders

38. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

Joint holders

(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.

Liability of joint holders

(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Death of one or more joint holders

(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share

Receipt of one sufficient

(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

Delivery of certificate and giving of notice to first named holder

(e)(i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

Vote of joint holders



(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders. Executors or administrators as joint holders

Capitalization of Profit

39. 1. The company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve -- Capitalisation

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards - Sum how applied

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause(A) and partly in that specified in sub-clause (B).

3. A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

4. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

40.(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall -

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power --

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

Board's power to issue fractional certificate/coupon etc



(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members. Agreement binding on members

Buy-Back of shares

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities. Buy-back of shares

General Meetings

42. All general meetings other than Annual General Meeting shall be called Extraordinary General Meetings. Extraordinary General Meeting

43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting. Powers of Board to call extraordinary general meeting

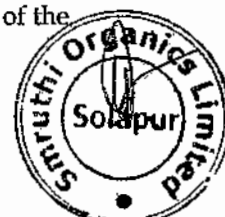
(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. Power of the members to call extraordinary general meeting

Proceedings at General meetings

44. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Presence of Quorum

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103. Quorum for General Meeting

45. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company. Chairperson of the meetings



46.If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

Directors to elect a Chairperson

47.If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Members to elect a Chairperson

48. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by poll to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by poll entries thereof in books kept for that purpose with their pages consecutively numbered.

Minutes of proceedings of meetings and resolutions passed by poll

49. There shall not be included in the minutes any matter which, in the opinion of the Chairperson 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.

Certain matters not to be included in Minutes

50. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

Minutes to be evidence

51.(1)The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by poll shall:
(a) be kept at the registered office of the Company; and
(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

Inspection of minutes books of general meeting



(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of Rs. 10/- for each page or part of any page or such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above: Members may obtain copy of Minutes

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

Adjournment of meeting

52. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. Chairperson may adjourn the meeting

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Business at the adjourned meeting

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Notice of adjourned meeting

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. Notice of adjourned meeting not required

Voting rights

53. Subject to any rights or restrictions for the time being attached to any class or classes of shares, -- Entitlement to vote on show of hands and on poll

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. Voting through electronic means

(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Voting of joint holders



(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. Seniority of names

54. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. 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. How members *non compos mentis* and minor may vote

55. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. Business may proceed pending poll

56. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid. Restriction on voting rights

57.(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Restriction on exercise of voting rights in other cases to be void

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. Decision of Chairperson final and conclusive

Proxy

58. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. Member may vote in person or otherwise

59. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. Proxies when to be deposited

60. An instrument appointing a proxy shall be in the form as prescribed in the Rules. Form of proxy



61. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or there vocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Proxy to be valid notwithstanding death of the principal

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

62. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

Board of Directors

63. 1. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

Directors not liable to retire by rotation

2. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

Same individual may be Chairperson and Managing Director/ Chief Executive Officer

64.(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

Remuneration of directors

(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

Remuneration to require members' consent

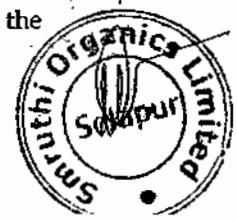
(3) In addition to the remuneration payable to the minimum pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them –

Travelling and other expenses

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
(b) in connection with the business of the Company.

65. The Board may pay all expenses incurred in getting up and registering the company.

Expenses incurred in registering the Company



66. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register. Foreign Register
67. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by Managing Director/Executive Director(s) or such person and in such manner as the Board shall from time to time by resolution determine. Execution of negotiable instruments
68. (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Appointment of Additional Directors
- (2) Such person shall hold office only upto the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act. Duration of office of Additional Director
- 69.(1) The Board may appoint an alternate director or act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. Appointment of Alternate Director
- (2) An alternate director 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 the office if and when the Original Director returns to India. Duration of office of Alternate Director
- (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director. Re-appointment provisions applicable to Original Director
70. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. Appointment of director to fill a casual vacancy



(2)The director 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

Duration of office of Director appointed to fill casual vacancy

71. Every director present at any meeting of the Board or of a committee thereof shall sign before his name in a book to be kept for that purpose.

Director present to sign before his name

Powers of Board

72. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject never the less to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

General powers of the Company vested in Board

Proceedings of the Board

73. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

When meeting to be convened

(ii) A director may, and the manager or company secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

Who may summon Board meeting

(iii) The quorum for a Board meeting shall be as provided in the Act.

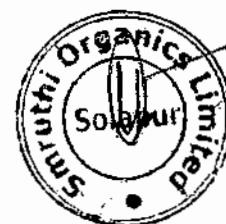
Quorum for Board meetings

(iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

Participation at Board Meetings

74.(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

Questions at Board meeting how decided



(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. Casting vote of Chairperson at Board meeting

75. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose. Directors not to act when number falls below minimum

76.(i) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. Who to preside at meetings of the Board

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting. Directors to elect a Chairperson

77. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Delegation of powers

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. Committee to conform to Board regulations

78. (i) A committee may elect a Chairperson of its meetings. Chairperson of Committee

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. Who to preside at meetings of Committee

79. (i) A committee may meet and adjourn as it thinks fit. Committee to meet

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote. Questions at Committee meeting how decided



80. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

Acts of Board or Committee valid notwithstanding defect of appointment

81. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Passing of resolution by circulation

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

82. Subject to the provisions of the Act, —

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

Chief Executive Officer etc.

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

Director may be chief executive officer, etc.

83. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Regulations requiring or authorising a thing to be done by or to a director and chief executive officer etc

Registers

84. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The

Statutory registers



registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of Rs.10/ for each page of registers maintained under section 88 of the Act and Annual Return filed under section 92 of the Act or on such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

Dividends and Reserve

85. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. Company in general meeting may declare dividends

86. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company. Interim dividends

87.(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit. Dividends only to be paid out of profits

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. Carry forward of profits

88.(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. Division of profits

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. Payments in advance



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

Dividends to be apportioned

89. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom

(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

Dividend how remitted

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Instrument of payment

90. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

Receipt of one holder sufficient

91. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

Notice of any dividend

92. No dividend shall bear interest against the company.

No interest on dividends

Accounts

93. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

Board to decide upon inspection of accounts and books by members



(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Restriction on inspection by members

Winding up

94. Subject to the provisions of Chapter XX of the Act and rules made thereunder -

Winding up of Company

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

95. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Right to indemnity

General Power

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

General Power



Copies of Memorandum, Articles etc.

97. A copy of the Memorandum, Articles and other documents referred to in Section 17 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of a sum sufficient to defray the expenses of doing so for each copy or on such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act.

Copies of
Memorandum,
Articles etc.

Service of Documents

98. Where a document or notice is sent by post service of the document or notice shall be deemed to be effected by properly addressing prepaying and posting a letter containing the documents 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 speed post or by registered post with or without acknowledgement due or any other particular mode and has deposited with the Company a sum sufficient to defray the expenses of doing so or on such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act. The service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member.

Manner of service of
documents or notices
etc.

The Seal

99. (i) The Board shall provide for the safe custody of the seal.

The seal, its custody
and use

(ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Affixation of seal



We the several persons, whose names and addresses are given below are desirous of being formed into a company in pursuance of these Articles of Association.

Name, address description
and occupation of each
Subscriber

Signature
Sub-
scriber

Name address description
and occupation
of witness and his
Signature.

EAGA PURSHOTHAM
S/o. E. MALLAIAH
485, SAKHAR PETH
SOLAPUR- 413005.
BUSINESS

Sd/-

MYAKAL SHANKAR RAO ,
S/o. M. Rajaram.
485; SHAKHARPETH
SOLAPUR - 413 005.
BUSINESS.

Sd/-

Sd
HARTSHCHANDRA UPASANI
S/o. Late Shri. Bajirao Upasani.
'B-4, Sant Gnyashwar Kripa -
Namdeo Pash
Dombivli (E) 421 201.
practising Company Secretary

Date : 19-06-1989.

