

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD
ORIGINAL COMPANY JURISDICTION

ANNEXURE No. 7

IN

COMPANY APPLICATION No. OF 2009
[Under Section 391 read with Section 394 of the Companies Act]

IN THE MATTER OF AMALGAMATION OF :

JAYPEE HOTELS LIMITED
JAYPEE CEMENT LIMITED [
JAIPRAKASH ENTERPRISES LIMITED
GUJARAT ANJAN CEMENT LIMITED

WITH

JAIPRAKASH ASSOCIATES LIMITED

DISTRICT : GAUTAM BUDDHA NAGAR

1. JAIPRAKASH ASSOCIATES LIMITED
having its registered office at
Sector - 128, NOIDA- 201304
District Gautam Buddha Nagar, (UP). Transferee Company
2. JAYPEE HOTELS LIMITED
having its registered office at
Hotel Jaypee Palace, Fatehabad Road,
Agra, Uttar Pradesh.Transferor Company No. 1
3. JAYPEE CEMENT LIMITED
having its registered office at
5 Park Road, Hazratganj,
Lucknow 226 001Transferor Company No. 2
4. JAIPRAKASH ENTERPRISES LIMITED
having its registered office at
Sector - 128, NOIDA- 201304
District Gautam Buddha Nagar, (UP). Transferor Company No. 3
5. GUJARAT ANJAN CEMENT LIMITED
having its registered office at
Sector - 128, NOIDA- 201304
District Gautam Buddha Nagar, (UP)Transferor Company No. 4

..... APPLICANTS

ANX-7

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MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
JAYPEE CEMENT LIMITED



प्रारूप आई० आर०

Form I. R.

निगमन का प्रमाण पत्र

CERTIFICATE OF INCORPORATION

ता०..... का सं०.....
No. U26941UP2004PLC029175 of.....

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज.....

..... कम्पनी अधिनियम
१९५६ (१९५६ का १) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that **JAYPEE CEMENT LIMITED**

..... is
this day incorporated under the companies act, 1956 (No. 1 of 1956) and that
company is limited.

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

Given under my hand at **Kanpur** this **19th** day
of **October** Two thousand **Four**.....



Har Lal
19/10/04
(HAR LAL)

कम्पनी रजिस्ट्रार

उ० प्र० एवं उत्तरांचल कानपुर

Registrar of Companies

U. P. & UTTARANCHAL, KANPUR



सत्यमेव जयते

Co. No.

U26941UP2004PLC029175

कारोबार प्रारम्भ करने के लिए प्रमाण पत्र

Certificate for Commencement of Business

कम्पनी अधिनियम, १९५६ की धारा १४९ (३) के अनुसरण में

Pursuant of Section 149 (3) of Companies Act, 1956

मैं एतद् द्वारा प्रमाणित करता हूँ कि

कम्पनी अधिनियम १९५६ अधीन तारीख निगमित की गई थी जिसने आज विहित प्रारूप में सम्यक रूप से सत्यापित घोषणा फाइल कर दी है कि उक्त अधिनियम की धारा १४९ (१) (क) से लेकर (घ) तक / १४९ (२) (क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारोबार प्रारम्भ करने की हकदार है।

I hereby certify that the **JAYFEE CEMENT LIMITED**.....

Which was incorporated under the Companies Act, 1956 on the 19th day of October 19 2004 and which has this day filed a duly verified declaration in this prescribed form that the conditions of section 149 (1) (a) to (d) / 149 (2) (a) to (c) of the said Act, Have been complied with is entitled to commence business.

मेरे हस्ताक्षर से आज ता०.....के में दिया गया।

Given under my hand at Kanpur
this 28th day of July One thousand nine hundred
and Two Thousand Five,



(B.K. BANSAL)

कम्पनी रजिस्ट्रार
उ० प्र० कानपुर
Registrar of Companies
U.P. KANPUR

The Companies Act, 1956
Public Company Limited by Shares
MEMORANDUM OF ASSOCIATION
OF
JAYPEE CEMENT LIMITED

- I. The name of the Company is JAYPEE CEMENT LIMITED
- II. The Registered Office of the Company will be situated in the State of Uttar Pradesh.
- III. The objects for which the Company is established are:

**A. MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY
ON ITS INCORPORATION:**

1. To produce, manufacture, treat, process, prepare, refine, import, export, purchase, sell and generally to deal in either as principals or as agents either solely or in partnership with others, all types and kinds of cement, ordinary, white, coloured, Portland, Pozzolana, Alumina, Blast furnace, silica and all other varieties of cements, lime and limestone, clinker and/or by-products thereof, as also cement products of any or all descriptions, such as pipes, poles, slabs, asbestos sheets, blocks, tiles, garden-wares, plaster of Paris lime pipes, building materials and otherwise, and articles, things, compounds and preparations connected with the aforesaid products and in connection therewith to take on lease or otherwise acquire, erect, construct, establish, work, operate and maintain, factories, undertakings, quarries, mines and workshops.
2. To carry on all or any of the business as manufacturers and sellers of and dealers and workers in cements of all kinds, lime, plasters, whiting, clay, gravel, sand minerals, earth, coke, fuel, gypsum, coal, jute, hessian cloth, gunny bags, paper bags, artificial stone and all builders' requisites made out of cement and cement products and conveniences of all kinds.

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

1. To buy or generate for the purpose of the business of the Company steam, heat, light, electricity, gas or other power to process all products resulting from or ancillary to such production and making of gas, to convert the same into saleable materials like coke, road tar, creosote, oil phenols, carbolic acid and other chemical or detailed products and by-products and to otherwise deal with and dispose of the same and to take all steps incidental or necessary in respect of the same.
2. To acquire from any person or any source, technical information, know-how data, processes, formulae, techniques and methods, engineering, manufacturing and operating data, plans, layouts, blue prints and other data for the design, installation, erection and consultancy and maintenance,

- operation of the plant, machinery equipment and facilities whatsoever required for attaining the main objects of the Company and objects ancillary to the attainment of the main objects and to acquire any grant or licence and other rights and benefits in connection therewith.
3. To purchase or otherwise acquire or carry on the business of manufacturers of and dealers in bricks, tiles, stone, pipes, potteries, earthen or china and similar goods and any substitutes thereof or building material of any kind and all things used by builders and contractors.
 4. To purchase, take on lease, or otherwise acquire, the undertakings, business and property or any part thereof of any company or companies carrying on business as manufacturers of Cement and mineral industries in India or elsewhere, which this Company is entitled to undertake.
 5. To enter into contracts, agreements and arrangements with any other company, firm, or person for the carrying out by such other company, firm, or person on behalf of the Company any of the objects for which the Company is formed.
 6. To import, export, buy and sell and act as merchants and dealers in connection with the above objects of the Company.
 7. To buy, refine, manipulate, import, export and deal in substances, apparatus and things capable of being used in the business of the Company or required by any customers or persons having dealings with the Company.
 8. To import and purchase any machinery, implements, materials, articles and stores and to do all things necessary and proper for developing the property, estates and lands including mining property belonging to the Company.
 9. To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell any goods from time to time belonging to the Company.
 10. To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property of rights.
 11. To carry on any business or branch of a business which this Company is authorised to carry on by means, or through the agency of any subsidiary Company or companies, and to enter into any arrangement with such subsidiary company for taking the profits and bearing the losses of any business or branch so carried out, or for financing any such subsidiary company or guaranteeing its liabilities, or to make any other arrangement which may seem desirable with reference to any business or branch so carried on including power at any time and either temporarily or permanently to close any such branch or business.
 12. To appoint Directors or Managers of any subsidiary Company or of any other Company in which this Company is or may be interested.
 13. To take part in the supervision and control of the business or operations of any Company or undertaking.
 14. For the purpose mentioned in the preceding clause, to appoint and remunerate any directors, trustees, accountants or other experts or agents.
 15. To act as agents and brokers for sellers, buyers, exporters, importers, manufacturers, merchants, tradesmen, dealers in cement and cement products.
 16. To purchase, take on lease or in exchange, hire or otherwise acquire any immovable or movable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular, any land, buildings, easements, machinery, plant and stock-in-trade, and either to retain any property to be acquired for the purposes of the Company's business or to turn the same to account as may seem expedient.
 17. To purchase, take on lease or in exchange or under amalgamation, licence or concession or otherwise, absolutely or conditionally, solely or jointly with others and make, construct, improve, maintain, develop, work, manage, carry out, control any buildings, factories or works or any roadways,

- tramways, railways, ropeways, branches, or sidings, bridges, wells, reservoirs, water courses, wharves, airports, ferries, piers, aerodromes, telephone works, restaurants, manufactories, warehouses, electric works, shops, stores, channels and other works and conveniences which may seem calculated to advance the Company's interests and to contribute to, subsidise, or otherwise assist or take part in the construction, improvement, maintenance, working management, carrying out or control thereof.
18. To let on lease or on hire purchase system or to sell or otherwise dispose of any property belonging to the Company and to finance the purchase of any article or articles, whether made by the Company or not, by way of loans or by the purchase of any such articles or article, and the letting thereof on the hire purchase system or otherwise howsoever.
 19. To buy and sell foreign exchange in all lawful ways in compliance with the relevant laws of India and of the foreign country concerned in that behalf, and generally to invest and deal with the moneys of the Company in or upon such securities and in such manner as from time to time be determined and to hold, sell and otherwise deal with such investments.
 20. To sell, lease, grant licences, easements and other rights over, and in any other manner deal with or dispose of the undertaking, property, assets, rights and effects of the Company, or any part thereof, for such consideration as the Company may think fit, and in particular, for shares, debentures, or securities or any other Company.
 21. To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or Company carrying on or proposing to carry on any business which the Company is authorised to carry on or be possessed of property suitable for the purpose of the Company.
 22. To amalgamate, enter into any partnership or partially amalgamate with or acquire interest in the business of any other Company, person or firm or enter into any arrangement for sharing profits, or for co-operation or for mutual assistance, with any person, firm or Company, carrying on any business which the Company is authorised to carry on, and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debentures-stock or securities that may be agreed upon and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received.
 23. To amalgamate with any other Company whose objects are similar to those of this Company whether by sale or purchase for fully or partly paid up share or otherwise of the undertaking subject to the liabilities of the Company or any such other Company as aforesaid, with or without winding up or by sale or purchase (for fully or partly paid up shares or otherwise) of all or a controlling interest in the shares or stock of the other Company as aforesaid or in any other manner.
 24. To enter into partnership, or into any arrangement for sharing profits or losses, or for any union of interest, joint adventure, reciprocal concession or co-operation with any person or persons, or Company or companies carrying on, or engaged on or about to carry on, or engage in any business or transaction which this Company is authorised to carry on or engage in, or in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.
 25. To acquire, take up and hold shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any Company, Corporation or authority constituted for carrying on business in India or in any foreign country, and debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any Government, Sovereign Rulers, Commissioner, public body or authority, supreme, municipal, local or otherwise, whether in India or any foreign country.
 26. To acquire any such shares, stocks, debentures, debenture-stock, bonds, obligations or securities by original subscription, 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.
 27. To establish or promote or concur in establishing or promoting any company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other

purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise, acquire all or any part of the shares, debentures or other securities of any such other Company.

28. To enter into any arrangement with any Government or authority supreme, municipal, local or otherwise or any persons or Company that may seem conducive to the Company's objects or any of them and to obtain from any such Government authority, person or Company rights, privileges, charters, contracts, licences and concessions which the Company may think fit or desirable to obtain and to carry out, exercise and comply therewith.
29. To apply for promote, and obtain any Act, charter, privilege, concession, licence, authorisation, Government, State or municipal, provisional order, licence or any authority for enabling the Company to carry any of its objects into effect, or for extending any of the powers of the Company, or for effecting any modification of the Company's constitution, or for any other purposes, which may seem expedient and to oppose any proceedings or applications, which may seem calculated, directly or indirectly to prejudice the Company's interests.
30. To apply for purchase or otherwise acquire project and renew in any part of the world any patents, patent, rights, brevets d'invention, trade marks, designs, licences, concessions and the like conferring any exclusive or non exclusive or limited right to their use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, rights, or information as acquired and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.
31. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical investigations and inventions by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical professors or teachers and providing for the award of scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind whether or not such activities are likely to assist any of the business which the Company is authorised to carry on.
32. To make donations to such persons or institutions and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person or corporation introducing business to the Company and also to subscribe, contribute or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public, cultural, educational or other institutions or objects or for any exhibition or for any public, general or other objects and to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of the employees or ex-employees (including Directors) of the Company or its predecessors in business or of persons having dealings with the Company or the dependents, relatives or connections of such persons and, in particular, friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses, either by way of annual payments or a lump sum and to make payments towards insurance and to form and contribute to provident benefit funds and other welfare funds of or for such persons.
33. To refer or agree to refer any claim, demand, dispute or any other question by or against the Company or in which the Company is interested or concerned and whether between the Company and the member or members or his or their representatives, or between the Company and third parties to arbitration in India or at any place outside India and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the award.

34. To pay out of the funds of the Company all preliminary and other expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the Company or the issue or its capital including brokerage and commission for obtaining applications for or taking, placing or underwriting or procuring other debentures or other securities of the Company.
35. To pay for any rights or property acquired by the Company and to remunerate any person or company for services rendered or to be rendered in placing of shares in the company's capital or any debentures, debenture-stock, or other securities of the company, or in or about the formation or promotion of the Company, or the acquisition of property by the Company or the conduct of its business, whether by cash payment or by the allotment of shares, debentures, or other securities of the Company, credited as paid up in full or in part or otherwise.
36. To adopt such means of making known the business of the Company 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.
37. To lend and advance money or to give credit to such persons or companies and on such terms as may seem expedient and, in particular, to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantees and indemnities.
38. To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.
39. Subject to the provisions of Section 58A, 292 and 293 of the Companies Act, to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit including the right to convert the loan into Shares, and, in particular, by the issue of debentures, or debenture-stock (perpetual or otherwise) and to secure the payment of any moneys borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or Company of any obligation undertaken by the company or any person or Company as the case may be.
40. To undertake and execute any trust (including the office of executor, administrator, receiver or liquidator) the undertaking of which may seem to the Company desirable and either gratuitously or otherwise and vest any real or personal property, rights, or interest acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
41. To draw, make, accept, endorse, discount execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
42. To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company for the time being.
43. To insure the whole or any part of the property of the Company either fully or partially to protect and indemnify the Company from liability or loss in any respect, either fully or partially and also to insure and to protect and indemnify any part or portion thereof, either on mutual principles or otherwise.
44. To apply for, purchase, or otherwise acquire, any patents, brevets d'invention, licences, concessions, and the like conferring any exclusive or non-exclusive or limited rights to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of or otherwise turn to account the property, rights or information so acquired.
45. To carry out in any part of the world all or any part of the Company's objects as principal agent, factor, trustee, contractor, or otherwise, either alone or in conjunction with any other person, firm, association, corporate body, municipality, province, state, body politic or government or colony or dependency thereof.

46. To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories, possessions, colonies and dependencies thereof and in any or all foreign countries and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.
47. To procure the Company to be registered or recognised in any part of the world.
48. To do all and everything necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers herein before set forth, either alone or in association with other act or acts, thing or things incidental or appurtenant to or growing out of or connected with the aforesaid business or powers, any part or parts thereof, provided that the same is not inconsistent with the laws of the Union of India.
49. To lend money on mortgage of immovable property or on hypothecation or pledge of movable property or without security 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.
50. To aid pecuniarily or otherwise any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
51. To dedicate, present, subscribe to or otherwise aid, out of the profits and assets of the Company, any 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 reasons of the locality or nature of its operations or otherwise.
52. To make donations to any national memorial fund or any other fund constituted for a charitable or national purpose, subject to Section 293A of the Companies Act, 1956.
53. To transact and carry on all kinds of agency business and to be appointed and to act as agents of any company or concern and to do and perform all and singular the several duties, services and authorities appertaining to such office and to comply with and to become bound by all restrictions, limitations and conditions appertaining to such office or imposed by the terms of any agreement or agreements entered into for the purpose aforesaid.
54. 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 equalising dividends or for any other purpose whatsoever, and to transfer any such fund or part thereof to any of the other funds herein mentioned.
55. To dedicate, present or otherwise dispose of, either voluntarily with or without consideration or for value, any property of the Company deemed to be of national, public or local interest, to any national trust, public body, museum, corporation or authority or any trustees for or on behalf of any of the same or of the public.
56. To appropriate, use or lay out land belonging to the Company for streets, parks, pleasure ground, allotments, and other conveniences and to present any such land so laid out to the public or to any person or company conditionally or unconditionally as the Company thinks fit.
57. 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.
58. To undertake, carry out, promote and sponsor programmes for rural development including any programme for promoting social and economic welfare for the upliftment of the people in any rural area and to incur any expenditure on any such programme of rural development and to assist execution and promotion thereof either directly or through any agency or in any other manner. Without prejudice to the generality of the foregoing, 'Programme for Rural Development' shall also include any programme for promoting the social and economic welfare for the upliftment of the

people in any rural areas which the Directors may consider likely to promote and assist rural development, and that the words 'Rural Area' shall include such areas as may be regarded as rural areas under section 35CC of the Income Tax Act, 1961, or any other law relating to rural development for time being in force or as may be required by the Directors as rural areas and in order to implement any of the above mentioned objects or purposes the Directors may at their discretion transfer without consideration or at such full or concessional value as the Director may think fit, and divert the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Government or any public institution, Trust or Fund or any other agency devoted to the work of rural development as approved by the Central Government or State Government or any other appropriate authority.

59. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of the national economy and for discharging what the Directors may consider to be social, economic and moral responsibilities of the Company to the public or any sections of the public as also any activity which the directors consider likely to promote national welfare or social, economic or moral upliftment of the public or any section of the public and in such manner and by such means as the Company may think fit and the Company may at its discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Company may think fit and divert the ownership of any property of the Company to or in favour of any Public or Local Body or authority or Central or State Government or any Public Institutions or Trusts or Funds or any other agency devoted to the work of rural development as approved by the Central Govt. or State Govt. or any other appropriate authority.
60. Without prejudice to the generality of the foregoing, to undertake, carry out, promote and sponsor any activity for publication of any book, literature, newspapers etc. or for organising lectures, conferences or seminars, workshops, training programmes, etc. likely to advance the aforesaid objects or for giving merit awards, scholarships, loans or any other assistance to institutes, deserving students or other scholars or consultants or persons to enable them to pursue their studies or academic pursuits and for establishing or assisting any institution, fund, trust etc. having any one of the aforesaid objects as one of its objects.

C. OTHER OBJECTS

1. To manufacture, produce, refine, process, formulate, mix or prepare, mine or otherwise, acquire, invest in, own, hold, use, lease, mortgage, pledge, buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, import and export any and all kinds of chemicals, source materials, ingredients, mixtures, derivatives and compounds thereof.
2. To carry on the business of manufacturers, producers, refiners, processors, miners, exporters, importers, buyers and sellers of, and dealers in and with all and any medicines and remedies or all kinds and whether produced from vegetable, mineral, gaseous, animal or any other matters or substances by any process whether chemical, mechanical, electrical or otherwise.
3. To purchase, breed, raise, produce or otherwise acquire invest in, own, hold, use, lease, mortgage, pledge, sell, assign transfer or otherwise dispose of, trade, deal in and deal with any and all kinds of animals and agricultural products, and purchase, manufacture, produce, or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, sell, assign, transfer or otherwise dispose of, deal in and deal with any and all articles or things manufactured, produced, resulting or derived in whole or in part from animals or agricultural products of any kind, whether to be used as food or in commerce, manufacture, the science, the arts or otherwise.
4. To carry on business as manufacturers of, and dealers in, granite, marble, alabaster, steel, iron, metal, wood, timber, stone, bricks, clay, china, procelain, terra cotta, earth ware, pipes, mosaics, slates, windows, doors, shutters, basins, chimney pieces, stoves, baths, sanitaryware, household fittings damp course materials, paint, varnish, rope cord and builders' and decorators' plant, material and requisites and fittings of every description.

5. To carry on any other trade or business whatsoever which can in the opinion of the board of directors, be advantageously carried on by the company in addition to or in connection with or as ancillary to any of the aforesaid business or the general business of the Company.
6. To carry on the business of chemists, druggists, dry salters, oil and colour men, importers and manufacturers of, and dealers in pharmaceutical, medical, chemical, and industrial preparations and articles, compounds, cements, plasters, oils, paints, pigments and varnishes, drugs, dyeware, paints and colour grinders, makers of and dealers in proprietary articles of all kinds, and of electrical, chemical, photographic, surgical and scientific apparatus, and chemicals, phosphates, nitrates, caustic soda, chlorine products, iodine salts and minerals, organic chemicals, heavy and light chemicals and fine chemicals, petrochemicals, and alkalies and acids, soaps, toilet goods, oils, scents attars, perfumes, scented oils, flavoured essences, floral synthetics, aromatics, mineral waters, wines, liquors, fruit essences, fruit juices, fruit syrups, vaccines, serum, fruits raw and ripe, fruit seeds, and by-products of fruits, herbs and other articles mentioned above.
7. To cultivate, grow, produce and deal in any vegetable products and to carry on all or any of the business of foreman, dairymen, mill contractors, dairy foremen, millers, surveyors and vendors or milk, cream, cheese, butter, poultry and provisions of all kinds, growers of, and dealers in, corn hay and straw, seedsmen and to buy, sell and trade in any goods which are usually needed in any of the above business or any other business associated with the foregoing or other interests of the Company.
8. To engage in the business of fishing in inland, coastal and deep sea waters and to carry on the business of rearing and catching of fish and other marine products and also to buy, sell, export and deal in all kinds of fish and other marine products.
9. To carry on either in connection with the business aforesaid or as a distinct and separate business, the business of storing of all commodities, goods or articles in refrigerators, ice chambers or otherwise and to construct, set up or establish deep freeze or cold storage units, premises or warehouses.
10. To purchase, manufacture, produce, refine, mine or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, sell, transfer or otherwise dispose of, trade, deal in and deal with any and all kinds of chemicals and scarce materials, ingredients, mixtures, derivatives and compounds thereof and any and all kinds of products in which any of the foregoing is used including but not limited to medicines, pharmaceuticals, fertilizers and industrial chemicals of all kinds.
11. To engage in the business of engineering, contracting and construction, including the design, manufacture, construction, erection, alteration repair and installation of plants, buildings, structures, ways, works, systems and mechanical, electrical and electronic machinery, equipment, apparatus and devices.
12. To carry on the trade or business of manufacturers of and dealers in explosive, ammunition, fireworks and other explosives, products and accessories of all kinds and of whatsoever composition and whether for military sporting, mining or industrial purposes or for petrochemical display or for any other purposes.
13. To explore, prospect, take on lease, or on royalty basis or otherwise acquire mines, mining rights and lands or any interest therein and to quarry, mine, dress, reduce, draw extract, smelt, refine, manufacture, process and otherwise acquire, buy, sell or otherwise dispose of and deal in all types, qualities and descriptions of ores, metal and mineral substances and to carry on any other metallurgical operations.
14. To carry on the business of iron founders, civil and mechanical engineers, consulting engineers, project engineers, technical consultants and manufacturers of agricultural, industrial and other machinery and tool kits, machine tool makers brass founders, metal workers, boiler-makers, makers of locomotives and engines of every description, mill-wrights, machinists, iron and steel converters, smiths, wood-workers, builders, painters, chemists, metallurgists, electrical engineers, water supply engineers, gas makers, framers, printers, carriers, and to buy, sell, design, specify, manufacture, fabricate, export, import, repair, convert, alter, let on hire, and deal in machinery, implements, plants,

tools, tackles, instruments, rolling stock and hardware of all kinds, general fittings, accessories and appliances of all descriptions made of metal, alloy, glass or any other material and any parts of such accessories or fittings and generally to carry on business as merchants, importers and exporters and to transact and carry on all kinds of agency business.

15. To carry on business as Consulting Engineers, and/or Contractors, provide, and undertake all types of consultancy engineering, contracting and other works, to design, and/or to inspect or provide inspection services for and/or to construct and/or to erect and/or to provide management services for and/or to provide training to persons employed in connection with and/or to provide any other consultancy contracting or engineering services in connection with any project, unit, plant or items of plant or equipment for any public utility or other public authority any public or private company, undertaking, authority, government, quasi-government or any person or firm for any works or undertakings or projects whether civil, chemical, electrical, mechanical or otherwise, in the fields of man-made and natural materials or products, organic and inorganic chemicals, oil, petrochemical or petroleum refining, thermonuclear manufacture, mining breweries water, or feed processing, fuel and power and all other fields and industries in any part of the world.
16. To carry on business as manufacturers of, and dealers in, all types of containers, receptacles, boxes, cartons, casks, drums, cages, bins, jars, carboys, tubes crates, packing cases, cans, bottles, vials and fittings therefore of every kind and to manufacture and deal in plastic, bakelite, celluloid glass, wood, plywood, hard-board, strawboard, and boards of all other description, and any other material whether chemically treated or not used for the manufacture of any of the aforesaid articles.
17. To carry on the business of manufacturers, fabricators, processors, producers, growers, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaires or dealers in the following :—
 - (a) all kinds and forms of organic and inorganic chemicals, heavy chemicals, fine chemicals, photographic chemicals, graphite, carbon, petro-chemicals, drugs, medicines, pharmaceuticals, antibiotics, acids, alkalies, salts, cordials, fertilizers, insecticides, fungicides, weedicides, pesticides, detergents, pasting agents, solvents including industrial solvents, essences, pharmaceuticals, medical, chemical and industrial preparations, mineral and other waters, natural and synthetic waxes, dyes, cosmetics, toilet articles, paints, pigments, oils, varnishes, resins and all products and by-products thereof.
 - (b) plastics, polythene alkathene, natural and synthetic rubber moulded goods, forms, rubber and plastic products including containers and packings of all types hygienic goods made of rubber and latex transmission bolts and conveyors, linoleum, tarpaulin, waterproof, materials, goods and garments, insulating materials, vulcanising materials and all other cellulose derivatives, products and by-products and articles.
 - (c) all kinds and classes of papers, boards, cardboards, mill boards, corrugated boards including corrugated fluting media, and articles, goods or things made from or out of papers, pulp, pulp-compressed paper, paper stock, plastics and other materials, natural or synthetic, and materials used in the manufacture or treatment of paper and all varieties of boards, and in particular to manufacture and deal in writing paper, wrapping paper, art paper, bank or bound paper, drawing paper, craft paper, envelope paper, envelopes, tracing paper, waterproof paper, waxed paper, wall and ceiling papers, carbon paper and photographic paper, and the products and by-products thereof.
 - (d) paper pulp, wood pulp, straw pulp, bamboo pulp, dea pulp, mechanical pulp, sulphite pulp, semi-chemical pulp and fibrous pulps of all descriptions, whether processed from any fibrous or other raw-material natural or synthetic, including grass, wood, bamboo, straw, rags, cotton, silk, wool, jute hump, flax and to manufacture and deal in all such fibres, fibrous substance (natural or synthetic) or things which may furnish materials for manufacture of paper and all varieties of boards and to buy, sell and deal in any articles which can be manufactured out of paper boards of all varieties and pulp.

18. To acquire, build or construct any buildings or factories and to develop and turn to account any land acquired by the Company or in which it is interested, and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up and improving buildings, set/by planting lease or building agreement, and by advancing moneys to and entering into contracts and arrangements of all kinds with builders, tenants and others.
19. To undertake the custody and warehousing of merchandise, goods and materials and to provide cold storage and other special storage facilities.
20. To carry on business as financiers, commercial agents, mortgage brokers, financial agents and advisers, subject to the Banking Regulations Act, 1949.
21. To carry on business as insurance brokers and agents in respect of all classes of insurance including marine, fire, life, accident, burglary, workmen's compensation, indemnity and motor.
22. To undertake any advisory, secretarial, accountancy, clerical or similar work.
23. To act as stockists, commission agents, manufacturers, representatives or agents, selling and purchasing agents, distributors, brokers, trustees, attorneys and subject to the provisions of the Companies Act, 1956, Managers, Secretaries and transfer agents for any other company, firm, corporation or persons.
24. To carry on business as builders, contractors, decorators, designers, bauliers, real estate owners, house, land and estate agents and to arrange or undertake the sale, purchase of, advertise for sale or purchase, assist in selling or purchasing and find or introduce purchasers or vendors of and to manage lands, buildings and other property whether belonging to the company or not and to let any portion of any premises for residential, trade or business purposes, or other private or public purposes, and to collect rents and income and to supply to tenants and occupiers and others refreshments, attendants, messengers, lights, waiting rooms, reading rooms, lavatories, laundry and electric convenience, garrages and other advantages.
25. To promote any other company for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
26. To acquire by purchase, lease, exchange or otherwise land, buildings and hereditaments of any tenure or description in the Indian Union & abroad and any estate or interest therein, and any rights over or connected with land and to turn the same to account as may seem expedient and in particular by preparing building sites and by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining hotels, restaurants, offices, flats, houses, shops, factories, warehouses, wharves, buildings, works and convenience of all kinds and by consolidating or connecting or subdividing properties and by leasing and disposing of the same.
27. To carry on the business of hotel, restaurant, cafe, tavern, beer house, restaurant room and lodging house keepers, licensed victuallers, wine, bear and spirit merchants, brewers, malters, distillers and manufacturer of aerated, mineral and artificial waters and other drinks, purveyors, caterers for public amusement or entertainment generally, coach, cab, carriage and motor car proprietors, livery, perfumers, job-masters, farmers, dairymen, importers and brokers of food, live and dead stock, colonial and foreign produce of all descriptions, hair dressers, perfumers, chemists, proprietors of clubs, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusements, recreation, sport, tennis courts, swimming pools, entertainment and instructions of all kinds, tobacco and cigar merchants, agents for railways, airlines and shipping companies, and carriers, and general agents and to manage land, building, and other properties, whether belonging to Company or not and to collect rents and income and to supply tenants and occupiers and others.
28. To act as Export House and/or Trading House and to carry on any business in any way connected therewith.
29. To carry on trade or business of buying, selling, reselling exchanging, altering, importing, exporting, hiring, letting on hire or distributing, merchandise, engineering goods, electrical goods and

- appliances, machinery, components, food-stuffs, grocery and other provisions, building materials, minerals, ores, including stones, granites, and marbles, cosmetics & chemicals, including soaps, shampoos, oils, perfumes, napkins, pharmaceuticals, liquors, raw, semi-manufactured and manufactured food stuffs, textiles, metals, bullion, jewellery, watches, furnitures, kitchen equipment and gadgets, cinematographic goods, ceramics, sanitary goods, rubber and leather goods, automobiles ships, aircraft and other miscellaneous goods.
30. To carry on all or any of the business as buyers, sellers, importers, exporters, distributors, agents representatives, brokers, factors, stockists, commission agents and dealers of all kinds of goods, materials and machineries used in construction business, and all kinds of clothes, ready made garments, handicrafts, Brass-ware and EPNS wares, jewellery, computers and softwares including printers and other electronic office equipments and other and such other goods as may be permitted from time to time under the Import & Export Policy of the Government.
 31. To carry on business of manufacturing, fabricating, processing, converting, installing, erecting, assembling, repairing, improving, reconditioning, altering, buying, selling, hiring, leasing, cleaning, servicing, exporting, importing, distributing and/or otherwise deal in all types and kinds of commodities, articles, goods, vehicles, equipments, machineries including heavy earthmoving machines and tools & spare parts thereof.
 32. To manufacture, process, buy, sell, import, export or otherwise deal in all kinds of card board packing, plastic packing, polythene packing, gunny bags, containers, bottles, hollow wares whether made of leather plastic, H.D.P., K.D.P., polypropoline, plastic, P.V.C. or other manmade fibrous material.
 33. To construct, erect, establish, take on hire, rent or lease factories for manufacturing and processing of packing articles and materials by mechanical, electrical or manual operation.
 34. To carry on the business of manufacturing, processing, bleaching, dyeing, printing, combining, preparing, spinning, weaving, cutting of any or all kinds of yarn and cloth made from any kind of fibre, natural or manmade, including cotton, wool, rayon, silk, synthetics, polyester, jute, hemp and of jute cutting and jute rejection and other preparations and raw materials arising from or required in manufacture of any or all kinds of yarn or cloth and their buying, selling, importing, exporting, dealing in or treating in as manufacturer, baler, merchant buyer, seller, dealer, agent, stockist, distributor or representative.
 35. To carry on the business of manufacturing, refining and preparing all classes and kinds of fertilisers and other preparations arising from or required in the manufacture of any or all kinds of fertiliser and to carry on any operations or process of mixing, granulating different chemicals or fertilisers and to buy, sell, import, export, treat in and deal in any or all kinds of fertiliser and any raw materials required for the manufacturing of any or all kinds of fertiliser.
 36. To set up power projects-Hydro electric, Thermal or Atomic, and to carry on the business of general electric power supply in any or all of its branches and to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity and to light cities, towns, villages, streets, docks, markets, theatres, buildings and place, both public and private.
 37. To construct, design, execute, develop, set-up, maintain, operate, undertake, erect, establish, carry-out, improve, repair, work, own, administer or manage on commission or on 'Build - Operate Transfer (BOT) basis' or otherwise, power projects - Hydro- electric or Thermal, roads, highways, bridges, airports, ports, rail systems, water supply projects, irrigation projects, water treatment systems, solid waste management system or sanitary and sewerage management system or any other public utility or facility service of all kinds and all incidental activities connected therewith in India or abroad.
- IV. The liability of the members is limited.
- *V. The Authorised Share Capital of the Company is Rs. 1000,00,00,000 (Rupees One Thousand Crore only) divided into 100,00,00,000 (One Hundred Crore) Equity Shares of Rs. 10 (Rupees Ten) each.

** (Pursuant to Ordinary Resolution passed at the Annual General Meeting of the Shareholders of the Company held on 12th September 2008)*

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 :—

Sl. No.	Name, addresses, description and occupation of the subscribers	No. of Equity Shares taken by each subscriber	Signature of Subscribers	Name, Address, Description and occupation of Witness
1.	Jaiprakash Gaur S/o Late Sh. Baljeet Singh Sharma A-9/27, Vasant Vihar New Delhi-110 057 Industrialist	50,100	Sd/- Jaiprakash Gaur	Sd/- Harish K. Vaid S/o Shri R.L. Vaid C-1/1172, Vasant Kunj New Delhi-110 070 (Company Executive)
2.	Sarat Kumar Jain S/o Late Sh. Sumat Prasad Jain B-1/12, Vasant Vihar, New Delhi-110 057 Business	100	Sd/- Sarat Kumar Jain	
3.	Manoj Gaur S/o Shri Jaiprakash Gaur A-9/27, Vasant Vihar New Delhi-110 057 Business	100	Sd/- Manoj Gaur	
4.	Sunil Kumar Sharma S/o Sh. Nanak Chand Sharma E-9/14, Vasant Vihar, New Delhi-110 057 Business	100	Sd/- Sunil Kumar Sharma	
5.	Suresh Kumar S/o Late Sh. Trilok Chand B-67 Sarvodaya Enclave New Delhi-110 017 Company Executive	100	Sd/- Suresh Kumar	
6.	Shyam Datt Nailwal S/o Late Sh. R. D. Nailwal 75, Sreshtha Vihar, New Delhi-110 092 Company Executive	100	Sd/- Shyam Datt Nailwal	
7.	Harish Kumar Vaid S/o Sh. R. L. Vaid C-1/1172, Vasant Kunj, New Delhi-110 070 Company Executive	100	Sd/- Harish Kumar Vaid	
	TOTAL	50,700 (Fifty thousand Seven Hundred Equity Shares)		Sd/- Nujum H S/o Mr. M. Hassan 5/473, Vaishali Ghaziabad (U.P.) (Service)

Dated: 17th October, 2004

The Companies Act, 1956
Company Limited by Shares
ARTICLES OF ASSOCIATION
OF
JAYPEE CEMENT LIMITED

1. The regulations contained in Table A, in the First Schedule to the Companies Act, 1956, shall not apply to this Company, but the regulations for the management of the Company and for the observance by the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles" unless the same are repugnant or contrary to the provisions of the Companies Act, 1956 and the said Table 'A'.

Table 'A' not to apply but company to be governed by these Articles

INTERPRETATION

2. In the interpretation of these Articles the following expressions shall have the following meaning, unless repugnant to the subject or context :—

Interpretation clause

"The Act", or "the said Act" means "The Companies Act, 1956" as amended upto date or other Act or Acts for the time being in force in India containing the provisions of the Legislature in relation to Companies.

"The Act" or "the said Act"

"The Board" or "The 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, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.

"The Board" or "The Board of Directors"

"The Company" or "This Company" means Jaypee Cement Limited.

"The Company" or "This Company"

"Beneficial Owner" means the beneficial owner as defined in clause (a) of the Sub-section (1) of Section 2 of the Depositories Act, 1996.

"Beneficial Owner"

"Depository" means a Depository as defined under clause (e) of Sub-section (1) of Section 2 of the Depositories Act, 1996.

"Depository"

"SEBI" means Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"SEBI"

"Directors" means the Director for the time being of the Company or as the case may be, the Directors assembled at a Board.

"Directors"

"Dividend" includes bonus.

"Dividend"

"Gender"	Words importing the masculine gender also include feminine gender.
"Month"	"Month" means a calendar month.
"Office"	"Office" means the Registered Office for the time being of the Company.
"Persons"	"Persons" includes Firms, corporations as well as individuals.
"Plural Number"	Words importing the plural number also include the singular number.
"Singular Number"	Words importing the singular number include the plural number.
"These presents" or "Regulations"	"These presents" or "Regulations" means these Articles of Association as originally framed or altered from time to time and includes the Memorandum where context so requires.
"Seal"	"Seal" means the Common Seal for the time being of the Company.
"In writing" and "Written"	"In writing" and "Written" shall include printing and lithography and any other mode of representing or reproducing words in a visible form.
"Expressions in the Act to bear the same meaning in Articles"	Subject as aforesaid any words or expressions defined in the Act shall except where the subject or context forbids, bear the same meaning in these Articles.
"Marginal Notes"	The marginal notes hereto shall not affect the construction hereof.
Copies of Memorandum & Articles of Association to be given to members	3. Copies of Memorandum and Articles of Association and other documents mentioned in Section 39 of the Act shall be furnished by the Company to any member at his request within seven days of the requirement subject to the payment of a fee of Rupee One.

COMMENCEMENT OF BUSINESS

Commencement of business	4. The Company shall not commence business or exercise any borrowing powers until the requirements of Section 149 of the Act shall have been complied with.
Capital	5. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.
Restriction on allotment	6. The Board shall observe the restrictions as to allotment contained in Sections 69 and 70 of the Act, as the case may be and shall cause to be made the returns as to allotment according to Section 75 of the Act.
Shares under the control of the Directors	7. Subject to the provisions of the Act and of these Articles, the shares in the capital of the Company for the time being (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 or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and proper, and with full power to give to and person the option to be allotted shares of the company either at par or at a premium, or subject as aforesaid, at a discount such option being exercisable at such times and for such consideration as the Directors think fit, provided that the option or right to make call on shares shall not be given to any person or persons without any sanction of the Company in general meeting.

8. In addition to and without derogating from the power for the purpose conferred on the Directors under Article 7, the Company in general Meeting may by special resolution determine to issue further shares out of the authorised but unissued capital of the Company and may determine that any shares (whether forming part of the original Capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportion and on such terms and conditions and either at a premium or at par or, subject to compliance with the provisions of section 79 of the Act, at a discount as such general meeting shall determine and with full power to give any person (whether a member or holder of debentures of the Company or not) the option to be allotted shares of any class of the Company either at a premium, or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such considerations as may be directed by such general meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares Subject to any direction given by the Company in general meeting as aforesaid the provisions of Article 68 hereof shall apply to any issue of new shares.

Power of General meeting to offer shares to such persons as the Company may resolve

9. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company in payment or part payment for any property or assets of any kind whatsoever (including the goodwill of any business) sold or transferred, goods or machinery or know-how supplied, or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up in cash, or otherwise than in cash, and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided by Section 75 of the Act.

Directors may allot shares as fully paid up

10. The shares in the capital of the Company shall be numbered progressively according to their several denominations and except in the manner hereinafter mentioned, no share shall be sub-divided.

Shares to be numbered progressively

11. An application signed by or on behalf of an applicant for shares in the company, followed by an allotment of any shares 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 entered on the Register shall, for the purpose of these Articles, be a member.

Acceptance of shares

12. The money (if any) which the Directors 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 holder of such share, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Deposit & Call etc. to be debt payable immediately

13. If by the conditions of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalments shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

Instalments of shares to be duly paid

14. Except when required by law or ordered by a court of competent jurisdiction, the company shall not be bound to recognise any person holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share, or (except only by these Articles or as ordered by a Court of Competent jurisdiction or by law otherwise provided) any other

Company not bound to recognise any interest in shares other than that of the registered holders

rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

UNDERWRITING AND BORKERAGE

Commission for placing share debenture etc.

15. The Company may subject to provisions of section 76 and other applicable provisions (if any) of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally for any shares in or debentures of the Company provided that the amount or rate of commission does not exceed in the case of shares 5% of the price at which the shares are issued and in the case of debentures 2½% of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or debentures or partly in the one and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

CERTIFICATES

Certificates of Shares

16. The Certificates of title to the shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors (provided that if the composition of the Board permits, one of the aforesaid two Directors shall be a person other than the Managing or whole-time Director) and (ii) the Secretary or some other person appointed by the Board for the purpose. Particulars of every share certificate issued shall be entered in the register of the Members against the name of the person to whom it has been issued indicating the date of issue. A Director may sign the share certificates 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. Provided always that notwithstanding anything contained in this Article, the certificates of title to the shares may be executed and issued in accordance with such other provisions of the Act, or the rules made thereunder as may be in force for the time being and from time to time.

Member's right to certificates

17. Every member or allottee of share(s) shall be entitled without payment to receive at least one certificate under the Seal of the Company for all the shares of each class or denomination registered in his name in such form as the Directors shall prescribe or approve, specifying the share or shares allotted to him and the amount paid thereon. Every member shall be entitled without any payment for sub-division and consolidation of Share & Debenture Certificates and for sub - division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit of trading. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or of its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. Provided that, if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence.

Limitation of time for issue of certificates

18. The Company shall within three months after the allotment of any of its shares or debentures and within one month after the application for the registration of the transfer of any such shares or debentures complete and have ready for delivery the certificates of all shares and debentures otherwise provided and the Company shall

otherwise comply with requirements of Section 113 and other applicable provisions (if any) of the Act.

19. (a) If any certificate is worn out, defaced, mutilated or torn or if there is no further space on the back thereof for endorsement of transfers, 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 to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of any fee if the Board so decides, or on payment of such fee (not exceeding Rs. 2/- for each certificate) as the Board prescribes, provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfers.

As to issue of new certificates in place of the defaced, lost or destroyed

Provided that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

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

- (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 against the counterfoil to the effect that it is "issued in lieu of share certificate No." The word "Duplicate" shall be stamped or punched in bold letters across the face of the certificate.
- (c) All blank forms to be issued for share certificates shall be printed and the printing shall be done only on the authority of resolution of the Board. The blank forms shall be consecutively machine-numbered and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (d) The Managing Director of the Company for the time being or if the Company has not Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and the safe custody of all books and documents relating to the issue of share certificate except the blank forms of share certificates referred to in Sub-Article (c).
- (e) All the books referred to in sub-article (d) shall be preserved in good order permanently.
- 19 (A) (i) Notwithstanding anything contained in these Articles the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Dematerialisation of Securities

- (ii) Every person subscribing to securities offered by the Company shall have the option to receive security certificate 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

Securities in
Depositories to be
in Fungible Form

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

Rights of
Depositories and
Beneficial Owners

(iv) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the 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 securities which are held in a depository.

Service of
Documents

(v) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the record 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.

Transfer of
Securities

(vi) Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of
Securities dealt with
in a Depository

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

Distinctive
Numbers of
Securities Held in a
Depository

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

Register and Index
of Beneficial
Owners

(ix) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be Register and Index of Members and Security holders for the purposes of these Articles.

CALLS

Board may make
calls

20. The Board of Directors may from time to time (by a resolution passed at the meeting of the Board and not by Circular Resolution) but subject to the condition hereinafter mentioned, make such calls as they think fit upon the members in respect of all monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and which are not by the conditions of the allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times appointed by the Directors. A call may be made payable by instalments.

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

21. Where any calls are made on the shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Notice of call

22. At least, thirty day's notice of every call otherwise than on allotment shall be given specifying the time of payment, and if payable to any person other than the

Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.

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

Call to date from Resolution

24. The Directors may from time to time, at their discretion, extend the time for the payment of any call, and may extend such time as to payment of call for any of the members who, on account of their residence(s) being at a distance or other cause, the Directors may deem entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.

Directors may extend time

25. If by the terms of issue of any share, any amount is made payable at any fixed time or by instalments at fixed times (whether on account of the capital amount of the share or by way of premium) every such amount or instalment shall be payable as if were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

Amount payable at fixed time or by instalments as calls

26. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due, shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

When interest on call or instalment payable

27. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder nor the receipt by the Company, of a portion of any money which shall from time to time be due from any member in respect of any share either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as hereinafter provided.

Judgement decree or partial payment not to preclude forfeiture

28. Subject to the provision of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the company in respect of any shares, it shall be sufficient to prove that the name of the member in respect of whose shares money is sought to be recovered appears entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly posted to the member or his representative in pursuance of these presents, and it shall not be necessary to prove the appointment of Directors who made such call nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Proof on trial of suit for money due on shares

29. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or so much there of as from time to time exceeds the amount of the calls then made upon shares in respect of which such advance has been made, the Company may, pay interest at such rate, as the member paying such sum in advance and the Directors agree upon, and the Company may, at any time, repay the amount so advanced either by agreement with the member or otherwise upon giving to such member three month's notice in writing.

Payment in anticipation of calls may carry interest

No member paying any sum in advance shall be entitled to participate in profit or dividend or to voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

FORFEITURE, SURRENDER AND LIEN

If call or instalment not paid notice may be given

30. If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof, and other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other money as remained unpaid together with any interest that may have accrued and all expenses (legal and otherwise) that may have been incurred by the Company by reason of such non-payment.

Terms of Notice

31. The notice shall name a day (not being less than 30 days from the date of the notice) on or before which and the place or places on or at which such call instalment or such part thereof and other moneys as aforesaid and such interest and expenses as aforesaid are to be paid and if payable to any person other than the company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

In default of payment shares to be forfeited

32. If the requirement of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given may at any time thereafter but before payment of all calls or instalment interests and expenses and other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Entry of forfeiture in register of members

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

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

34. 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 other person upon such terms and in such manner as the Board shall think fit.

Directors may annual forfeiture

35. The Directors may, at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of, annual the forfeiture thereof upon such conditions as they think fit.

Shareholder still liable to pay money owing at the time of forfeiture and interest

36. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest, expenses and other money owing upon 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 Directors may determine and the Directors may enforce the payment of the whole or a portion thereof as if were a new call made at the date of the forfeiture but shall not be under any obligation to do so.

Effect of Forfeiture

37. 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 presents, are expressly saved.

38. The Directors may subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering the share on such terms as they think fit.

Surrender of shares

39. The company shall have no lien on its fully paid shares. In the case of partly paid share the Company shall have a first and paramount lien on such shares registered in the name of each member, whether solely or jointly with others and upon the proceeds of sale thereof, for all moneys called or payable at a fixed time in respect of such share and whether held solely or jointly with any other person, and whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not, and no equitable interest in any share shall be created except upon the footing and condition that Article 14 is to have full effect. Any such lien shall extend to all dividends and bonuses 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.

Company's lien on Shares

40. For the purpose of enforcing such lien the Directors may sell the shares, subject thereto, in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing or the intention to sell such shares shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment or discharge of such debts, liabilities or engagements for twenty days after such notice.

As to enforcement of lien by sale

41. The net proceeds of any such sale after payment of the cost of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such member 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 such member or the person (if any) entitled by transmission to the shares so sold.

Application of proceeds of Sale

42. A certificate in writing under the hand of two Directors that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by resolution of the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.

Certificate of forfeiture

43. 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 cause the purchaser's name to be entered in the Register in respect of the shares sold and the Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture sale, re-allotment or other disposal of the share and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person.

Title of purchaser and allottee of forfeited shares sold to exercise lien

44. Upon any sale, reallotment or their disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relevant 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 new

Cancellation of share Certificate in respect of forfeited shares and shares sold to exercise lien

certificate or certificates in respect of the said shares to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

Register of Transfer

45. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Register of renewed and duplicate certificate

46. The Company shall keep a book to be called the "Register of Renewed and Duplicate Certificates" and therein shall be fairly and distinctly entered the particulars of the issue of renewed and duplicate certificate in exchange for those which are subdivided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out or rendered useless.

Form of Transfer

47. The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof. The form of transfer deed shall be same as is commonly used in Stock Exchange.

Application for Transfer

48. (1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.
- (2) Where the application is made by the transferor and related to partly paid shares, the transfer shall not be registered unless the Company gives notice to the application to the transferor and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (3) For the purposes of Clause (2) above the notice to the transferee shall be deemed to have been duly given if it is despatched by pre-paid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

Transfer to be executed by the transferor and transferee

49. Every such instrument of transfer shall be signed by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Transfer not to be registered except on product of instrument of transfer

50. The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the Company within the prescribed period alongwith the certificate relating to the shares or if no such share certificate is in existence, alongwith the letter of allotment of the shares. Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnify as the Board may think fit. Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

Directors may refuse to register transfer

51. Subject to the provisions to Section 111 of the Act or any statutory modification for the time being in force, the Directors may, at their absolute discretion, decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of shares upon which the Company has a lien or whilst any moneys in respect of the shares desired to

be transferred or any of them remain unpaid and such refusal shall not be effected by the fact that the proposed transferee is already a member. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except as stated hereinabove. The registration of transfer shall be conclusive evidence of the approval by the Directors of the transferee.

52. If the company refuses to register the transfer of any share or transmission of any right therein, the company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission as the case may be and thereupon the provision of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.

53. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

54. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the person depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company for a period of 3 years or more.

55. The Directors shall have power, on giving not less than twentyone days previous notice by advertisement as required by Section 154 of the Act to close the transfer books of the Company, the Register of Members or the Register of Debenture-holders at such time or times and for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at any one time.

56. The executors or administrators or the holder of Succession Certificate in respect of the estate of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in India, provided that in case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letters of Administration or Succession Certificate and under the provisions of article 57, register the name of any persons who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

57. Subject to the provisions contained in Articles 51 and 52 hereof, any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon production proper evidence of the grant or Probate or Letters of Administration or Succession Certificate or such other evidence that he sustains the character in respect of which he proposes to act under this clause or of his title to the shares as the Board thinks sufficient may, with the consent of the Board (which it shall not be under any obligation to give), be registered as a member in the respect of such shares, or may subject to the regulations as to transfer hereinbefore contained, transfer such shares. This clause is herein referred to as the transmission clause.

58. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register as member a person entitled by transmission to

Notice of refusal to be given to transferor and transferee

Transfer by Legal Representative

Custody of instrument of transfer

Closure of Transfer Books

Title of Shares of deceased holder

Transmission Clause

Power to refuse registration

shares or his nominee as if were the transferee named in an ordinary transfer presented for registration.

Persons entitled
may receive
dividend without
being registered as
member

59. 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.

Board may require
evidence of
transmission

60. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the company or the Directors to accept any indemnity.

Fee on transfer or
transmission

61. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

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

62. 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 may have received a notice prohibiting registration of such transfer and may have entered such notice or referred such notice thereto in any book of the company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability, whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

Nomination

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

CONVERSION OF SHARES INTO STOCK

Conversion of
Shares into Stock
and reconversion

63. The Company, by ordinary resolution in General Meeting, subject to Section 95 of the Act, may

- (a) convert any fully paid-up shares into stock; and
- (b) convert any stock into paid-up shares of any denomination.

Transfer of Stock

64. 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 shares from which the stock arise.

65. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as they held the shares from which the stock arose but no such privileges or advantage (except as to dividends, participation in the 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.

Rights of Stock holders

66. Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words "Share" and "Shareholders" in those regulations shall include "Stock" and "Stock holders" respectively.

Regulations to apply to stocks

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

67. The Company may from time to time by ordinary resolution in General Meeting increase its share capital by the creation and issue of new shares of such amount as it thinks expedient. Subject to the provisions of the Act the shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting creating the same shall direct and if no direction be given, as the Board shall determine. Such shares may be issued with a preferential or qualified right as to dividends, and in the distribution of assets of the Company and with a right of voting at a 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

68. (1) Where at any time, after the expiry of two years from the formation of the Company or after the expiry of one year from the allotment of shares made in the Company, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, either out of the unissued capital or out of the increased share capital then:

Right of Equity Shareholders to further issue of capital

- (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at that date.
- (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer, if not accepted, will be deemed to have been declined.
- (c) The offer aforesaid shall be deemed to include a right exercisable by the persons concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right, provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
- (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose

off them in such manner and to such person (s), at their sole discretion, as they may think fit .

(1A) Notwithstanding anything contained in Clause (1) above, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(a) if a special resolution to that effect is passed by the Company in General Meeting.

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved at the general meeting (including the casting vote, if any, of the Chairman) by the members, who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.

(1B) Nothing in sub-clause (c) of clause (1) above hereof shall be deemed:

(a) To extend the time within which the offer should be accepted ; or

(b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(2) Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to debentures issued or loans raised to convert such debentures or loans into shares in the Company or to subscribe for shares in the Company (whether such option is conferred in Article 79 or otherwise) provided that the terms of the issue of such debentures or of such loans include a term providing for such option and such terms have been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans and also the same has either been approved by the Central Government before the issue of the debenture or the raising of the loans or is in conformity with the rules, if any, made by the Government in this behalf.

Increased Capital to be considered same as original capital

69. (1) 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 part of the original equity capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

Redeemable Preference Shares

(2) Subject to the provisions of the Section 80 of the Act, the Company shall have the power to issue preference shares which are at the option of the Company, are liable to be redeemed, and the redemption may, subject to the provisions of Article 5 thereof, be effected in the manner and the subject to the terms and provisions of its issue.

Provisions to apply on issue of Redeemable Preference Shares

(3) On the issue of Redeemable Preference Shares under the provisions of clause (2) hereof, the following provisions shall take effect :—

(a) no such shares shall be redeemed except out of 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 the fresh issue, there shall, out of profit 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 to be 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 part of the paid up Share Capital of the Company.
70. (a) The Company shall not have the power to buy its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Article 71 or in pursuance of Section 100 to 104 or Section 402 or other applicable provisions (if any) of the Act. Restrictions on purchase by the company of its own shares
- (b) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the company shall not give whether directly or indirectly and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.
70. A. Notwithstanding anything contained in these Articles and in pursuance of Section 77A, 77AA and 77B of the Act, the Board of Directors may, if thought fit, buy -back such of the Company's own shares or securities as it may consider appropriate subject to such limits, restrictions, terms and conditions, approvals as may be required under the provisions of Companies Act including the amendment(s) thereof. Buy-Back of Shares
71. The Company may from time to time subject to the provisions of Sections 78, 80, 100 to 105 inclusive, of the Act, by special resolution reduce its share capital and any Capital Redemption Reserve Account or Share Premium Account in any way authorised by law and in particular may payoff any paid-up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly. Reduction of Capital
72. The Company may in General Meeting alter the conditions of its Memorandum as follows:— Consolidation divisions and sub division
- (a) Consolidate and divide all or any of the share capital into shares of larger amounts than its existing shares;
 - (b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amounts, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (c) Cancel share which at the date of such General Meeting 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.
73. 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 deemed to be varied by the creation or issue of further share ranking *pari passu* therewith. Issue of further pari passu shares not to affect the right of shares already issued

MODIFICATION OF RIGHTS

Modification of rights of any class of shares

73 A. If at any time the share capital is divided into different classes the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated or varied (whether or not the company is being wound up) with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of that class of shares, and all the provisions hereinafter contained as to General Meeting shall *mutatis mutandis* apply to every such meeting.

JOINT HOLDERS

Joint Holder

74. Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following and other provisions contained in the Articles :—

Company may refuse to register more than three persons

(a) The Company shall be entitled to decline to register more than three persons as the joint holders of any share.

Joint & Several liability for all payments in respect of shares

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

Title of Survivor

(c) On the death of any such joint holder the survivor or survivors shall be the only person or persons recognised 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 deceased joint holder from any liability in respect of the shares held by him jointly with any other person.

Receipt of first Sufficient

(d) Only the person whose name stands first in Register of Members may give effectual receipts for any dividends or other moneys payable in respect of such shares.

Delivery of certificate and giving of notice to first named holders

(e) 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 delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 211) from the Company and documents served on or sent to such persons shall be deemed service on all the joint-holders.

Votes of joint-holders

(f) Any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy than that one of such persons to present whose name stands first or higher (as the case may be) on the register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting. Provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a jointholder present by proxy although the name of such joint-holder present by proxy stands first or higher in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint-holders.

BORROWING POWERS

75. Subject to the provisions of Sections 58A, 292 & 293 of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power from time to time at their direction, passed at a meeting of the Board and not by Circular Resolution, to accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum of moneys for the purposes of the Company provided that the total amount borrowed at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Banker in the ordinary course of business) shall not, without the consent of the Company in General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserve not set apart for any specific purpose. Such consent shall be obtained by an ordinary resolution which shall provide for the total amount upto which moneys may be borrowed by the Board. The expression "Temporary Loans" in this article means loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, discounting of bills and the issue of other short term loans of seasonal character but does not include loans raised for the purpose of financing expenditure of a capital nature.

Power to Borrow

76. Subject to the provisions of the Act and these Articles, the Directors may, by resolution, passed at the meeting of the Board and not by circular resolution, raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all the respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Conditions on which money may be borrowed

77. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Bonds Debentures etc. to be subject to control of Directors

78. Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Securities may be assignable from equities

79. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) as general meetings, appointment of Directors and otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

Conditions on which Bonds. Debentures etc. may be issued

80. If any uncalled capital of the Company is included in or charged by way of any mortgage or other security by the Directors, the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

Mortgage of uncalled capital

81. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other persons shall incur or be about to incur any liability whether as personal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security of, on, whole or affecting the whole or any part of the assets of the Company by way of

Idemnity to be given

indemnity to secure to Directors or any other person so becoming liable as aforesaid from any loss in respect of such liability.

Register of mortgage etc. to be kept

82. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company including all floating charges on the undertaking or any 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 (within the time prescribed by the said sections or such extensions thereof as may be permitted by the court or the Registrar) so far as they are to be complied with by the Company. 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.

GENERAL MEETING

Statutory Meeting

83. The statutory meeting of the Company shall be held at such place and time (not less than one month nor more than six months from the date on which the Company is entitled to commence business) as the Directors may determine, and in connection therewith the Directors shall comply with the provisions of Section 165 of the Act.

Annual General Meeting

84. (1) The Company shall, in addition to any other meetings, hold a General Meeting (herein called an "Annual General Meeting") at the intervals and in accordance with the provisions herein specified. The Company shall hold its first Annual General Meeting within eighteen months from the date of the incorporation of the Company and if such General Meeting is held within such period it shall not be necessary for the Company to hold any Annual General Meeting to the year of its incorporation or in the following year, but subject to the aforesaid provisions the Annual General Meeting shall be so held at least once in every calendar year and within six months after the expiry of each financial year and that not more than fifteen months shall elapse between the date of the Annual General Meeting and the next; provided however that if the Registrar of Companies shall have for any special reason extended the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time allowed by the Registrar.

(2) Every Annual General Meeting shall be called for at a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the registered office of the Company or at some other place within the city, town or village in which the Registered office of the Company is situated. The Company may by a resolution passed at one Annual General Meeting may fix the time for its subsequent Annual General Meeting. The notice calling the meeting shall specify it as the Annual General Meeting.

Extra-ordinary General Meeting

85. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings.

Directors may call Extra-ordinary General Meeting

86. The Board of Directors may call an Extraordinary General Meeting whenever they think fit.

Calling of Extra-ordinary General Meeting on requisition

87. (1) The Board of Directors shall on a requisition of such number of members of the Company shall hold, in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the

Company upon which all calls or other moneys then due shall have been paid, as at that date carries the right of voting in regard to the matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.

- (2) The requisition shall set out the matters for the consideration of which the meeting is to be called shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
 - (3) The requisition may consist of several documents of like form, each signed by one or more requisitionists.
 - (4) Where two or more distinct matters are specified in the requisition the provisions of clause (1) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
 - (5) If the Board of Directors does not within twenty one days from the date of the deposit of a valid requisition in regard to any matters proceed duly to call a meeting for the consideration of these matters on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists 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 the paid up share capital of the Company as is referred to in clause (1) above whichever is less.
 - (6) A meeting called under clause (5) above by the requisitionists or any of them shall be called in the same manner, similarly meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.
 - (7) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
88. (1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing. Notice of Meeting
- (2) However, a General Meeting may be called after giving shorter notice than twenty-one days, if the consent is accorded thereto:
- (i) In the case of an Annual General Meeting by all the members entitled to vote there at; and
 - (ii) In the case of any other meeting by members of the Company 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;
- Provided that where any members of the Company are entitled to vote only on some Resolution or Resolution to be moved at the meeting and not on the others, those members shall be taken into account for the purpose of this sub-clause in respect of the former Resolution or Resolutions but not in respect of the latter.
89. (1) Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting and shall contain a statement of business to be transacted there at. Contents of Notice

Special Business

(2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.

90. (1) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to:—

(i) the consideration of the Accounts, Balance Sheet and Profit and Loss Account and the Report of the Board of Directors and the Auditors;

(ii) the declaration of dividend;

(iii) the appointment of Directors in the place of those retiring;

(iv) the appointment of and fixing of the remuneration of the Auditors.

(2) In the case of any other meeting all business shall be deemed special.

(3) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a Statement setting out all material facts concerning each such item of business including in particular, the nature of the concern, or interest, if any, therein of every Director and of the Manager, provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects, any other Company the extent of the shareholding interest in that other Company of every Director and the Manager of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 20 percent of the paid up capital of that other Company.

(4) Where any item of business to be transacted at the meeting of the Company consists of according to the approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.

Service of Notice

91. Notice of every meeting shall be given to every member of the Company in any manner authorised by sub-section (1) to (4) of Section 53 of the Act and by these Articles it shall be given to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to them by name or by the title of the representatives of the deceased or the insolvent or by any like assignees of description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred. Provided that where notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company as provided in sub-section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Notice to be given to the Auditors

92. Notice of every meeting of the Company and every other communication relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him, shall be given to the Auditor or Auditors for the time being of the Company, in the manner authorised by Section 53 of the Act, as in the case of any member or members of the Company.

As to omission to give notice

93. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given, shall not invalidate the proceedings at the meeting or the Resolution passed there at.

94. (1) Where, by any provision contained in the Act or in these Articles, special Notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or is deemed to be served and the day of the meeting.
- (2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as is given notice of the meeting or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other modes allowed by these Articles not less than seven days before the meeting.

Resolution
requiring Special
Notice

PROCEEDING AT GENERAL MEETINGS

95. Five members entitled to vote and present in person shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum be present at the commencement of the business.

Quorum at General
Meeting

96. If within half an hour after the time appointed for the holding of a General Meeting a quorum be not present the meeting if convened on the requisition of shareholders shall be dissolved and in every other case 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, time and place as the Directors may by notice to the shareholders appoint, if at such adjourned meeting a quorum be not present within half an hour those members present shall be a quorum and may transact the business for which the meeting was called.

Proceeding when
quorum not present

97. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Business at
adjourned meeting

98. The Chairman of the Board of Directors or in his absence the Vice Chairman of the Board of Directors, if any, shall be entitled to take chair at every General Meeting. If there be no Chairman or if at any meeting the Chairman or the Vice Chairman be not present within 15 minutes after the time appointed for holding such meeting or be unwilling to act, the directors present may choose a Chairman and in default of their doing so, the members present shall choose one of the Directors to be the Chairman and if no Director present be willing to take the Chair the members present shall choose one of their number to be the Chairman.

Chairman

99. (1) No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.

Business confined to
election of
Chairman whilst
Chair Vacant

(2) If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and these articles and the Chairman so elected on the show of hands will exercise all the powers of the Chairman under the Act and these Articles.

(3) If some other person is elected Chairman as a result of the poll he shall be Chairman for the rest of meeting.

100. The Chairman with consent of any meeting at which a quorum is present may adjourn any meeting from time to time and from place to place in the city or the town or village in which the Registered office of the Company is situated.

Chairman with
consent may
adjourn meeting

101. 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. Save as aforesaid it shall not be necessary to give any notice of an adjournment of or the business to be transacted at an adjourned meeting.

Notice to be given
where a meeting
adjourned for thirty
days or more

What would be the evidence of the passing of a Resolution where poll not demanded

102. At any General Meeting, a resolution put to the vote of the meeting shall, unless a poll is (before or on the declaration of the result of the show of hands demanded be decided on a show of hands and unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, either unanimously or a by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour or against such resolution.

Demand for Poll

103. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand, before the poll is taken.

Time and manner of taking poll

104. A poll demanded on any question (other than the election of the Chairman or on a question of adjournment which shall be taken forthwith) shall be taken at such place in the city, town or village in which the Registered Office of the Company is situated and at time not being later than forty-eight hours from the time when the demand was made as the Chairman may direct. Subject to the provision of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken, including the power to take the poll by open voting or by secret ballot and either at once or after the interval of the meeting on the resolution on which the poll was taken.

Scrutineers at poll

105. When a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause. Of the two scrutineers appointed under this Article one 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.

Demand for poll not to prevent transaction of other business

106. The demand for a poll shall not prevent the continuance of meeting for transaction of any business other than the question on which poll has been demanded.

Resolution how decided in case of equity of votes

107. In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Reports, statements and Registers to be laid on the table

108. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and audited statement of accounts, Auditors' Report (if not already incorporated in the audited accounts) the Proxy Register with proxies and the Register of Directors and Managing Director's or Manager's holding maintained under Section 307 of the Act. The Auditors Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

Registration of certain resolution and Agreements

109. A copy of each of the following resolutions (together with a copy of the statement of material facts annexed under Section 173 to the notice of the meeting in which such resolution has been passed) or agreements shall, within thirty days after the

passing or making thereof, be printed or type-written and duly certified under the signature of an officer of the Company and filed with the Registrar:

- (a) All Special Resolutions;
- (b) Resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolution;
- (c) Resolution of the Board or agreements relating to the appointment, reappointment or the renewal of the appointment or variation of the terms of appointment of Managing Director;
- (d) Resolutions or agreements which have been agreed by all the members or any class of shareholders but which if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner and all resolutions or agreements which effectively bind all the members or any class of shareholders though not agreed to by all those members;
- (e) Resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub-section (1) of Section 484 of the Act;
- (f) Resolution passed by the Company according consent to the Board of its Directors to exercise any of the powers under clause (a), clause (d) and clause (e) of sub-section (1) of Section 293 of the Act; and
- (g) Resolution passed by the Company approving the appointment of sole selling agents under Section 294 of the Act.

A copy of every resolution which has the effect of altering the Articles of Association of the Company and a copy of every Agreement referred to in the above sub-clauses (c) and (d) shall be embodied in and annexed to every copy of the Articles issued after the passing of the resolution or the making of the Agreement.

110. The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 193 of the Act, by making, within thirty days of the conclusion of such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. 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 same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman within that period by a Director duly authorised by the Board for that purpose. In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

Minutes of General Meeting

111. The books containing the aforesaid minutes shall be kept at the Registered Office and be open during business hours to the inspection for any member without charge subject to such reasonable restrictions as the Company may by these Articles or in general meeting impose in accordance with Section 196 of the Act. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of the minutes on payment of thirty-seven paise for every one hundred words or fraction or part thereof required to be copied.

Inspection of minute books of General Meeting

112. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it included the matters required by these Articles or Section 193 of the Act to be contained in the minutes of the proceedings of such meeting.

Publication of Report of proceedings of General Meeting

VOTES OF MEMBERS

Vote may be given
by proxy or attorney

113. Subject to the provisions of the Act and these Articles votes may be given either personally or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act and Article 115 hereof.

Votes

114. Subject to the provisions of the Act and particularly of Sections 87, 88 and 92(2) thereof and of these articles :

- (1) Upon a show of hands to every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a Company as mentioned in Article 115) shall have one vote.
- (2) Upon a poll the voting right of every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a Company present as aforesaid) or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid up or partly paid up) held by him bears to the total paid up equity capital of the company.
- (3) Upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions, limitations and restrictions laid down in Section 87 of the Act.

No voting by proxy
on show of hands

115. No member not personally present shall be entitled to vote on a show of hands unless such member is a corporation present by proxy or unless such member is a body corporate present by a representative duly authorised under Section 187 of the Act or by a proxy in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

Votes in respect of
shares of deceased
and insolvent
members

116. Any person entitled under Transmission Article (Art 57 hereof) to transfer any shares may vote at any General Meeting in respect thereof as if he were the registered holder of such shares; provided that at least forty-eight hours before the time of holding of 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 shares and give such indemnity, if any as the directors may require, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Voting by
members of
unsound mind
and minors

117. 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; 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, if more than one, to be elected in case of dispute by the Chairman of the meeting.

Right of member to
use his votes
differently

118. On a poll taken at a meeting of the Company, a 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.

No member to vote
unless calls are paid
up

119. Subject to the provisions of the Act no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

Proxies

120. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting.

121. Every proxy shall be appointed by an instrument in writing signed by the appointor or his attorney duly authorised in writing or if the appointor is a body corporate be under its seal or be signed by an officer or an attorney duly authorised by it.

Appointment of proxy

122. 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 thereof shall be deposited at the office of the company or such place or places (if any) as may be specified for that purpose in the notice convening the meeting not less than forty-eight hours before the time for holding a 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. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than forty-eight hours before the time fixed for such a meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney given at least fourteen days before the meeting require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the meeting the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

Deposit of instrument of appointment

123. An instrument appointing a proxy shall be in the following form or shall contain words to the following effect:

Form of Proxy

I/We.....of.....
.....in the district ofbeing a member/members of
the above named company hereby appoint.....of.....
in the district of as my/our proxy to vote for me/us on my/our behalf
at the Annual General Meeting/Extraordinary General Meeting of the Company to be held
on the day of and at any adjournment
thereof. Signed this day of 19.....

124. If any such instrument be confined to the object of appointing a proxy for voting at a meeting of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company, and if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

Custody of the instrument of proxy

125. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy under which such proxy was signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death or revocation or transfer shall have been received at the office of the Company before the meeting.

Validity of votes given by proxy not withstanding death of member etc.

126. Subject to the provisions of the Act and these articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Time for objections to Vote

Chairmen of any meeting to be the judge of validity or any vote

127. Subject to the provisions of the Act and these articles the chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting and subject as aforesaid the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

- Number of Directors
128. (1) Subject to Article 154 the number of Directors shall not be less than three and not more than (20) including the special Directors referred to in Article 129(a), the *ex-officio* director referred to in Article 129(c) and the Debenture Director referred to in Article 130.
- First Director
- (2) The Subscribers to the Memorandum and Articles of Association shall be the first Directors of the Company.
- Special Directors
129. (a) The Company shall, subject to the provisions of the Act, and subject to Article 146 be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the company may deem fit. Such nominee and their successors in office appointed under this Article shall be called Special Director of the Company.
- Term of office of Special Directors
- (b) The Special Directors appointed under sub-clause (a) above shall be entitled to hold office until requested to retire by the person, firm or corporation who may have appointed them and will not be bound to retire by rotation or be Subject to Articles referring to retirement of Directors by rotation. A Special director shall also not be required to hold any qualification shares. As and whenever an Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the person, firm or corporation who appointed such Special Director may appoint any other Director in his place. The Special Director may at any time, by giving notice in writing to the Company resign his office. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
- Ex-officio Director
- (c) The Company may agree with any financial institution or any other authority or person, state or institution that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it, it shall have the power to nominate a Director of the Company (*ex-officio* Director) during the currency of the loan or other financial assistance and from time to time remove and reappoint him, and to fill in the vacancy caused by the death or resignation of any such Director or caused by such Director or caused by such otherwise ceasing to hold office. Such nominated Director shall not be required to hold any qualification shares and he shall not be liable to retire by rotation and shall be taken into consideration for the purposes of computing the maximum number of Directors provided for in the Article 128 above.
- Nominee Directors
- (d) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India Ltd. (IFCI) and The Industrial Credit & Investment Corporation of India Limited (ICICI) or any other Public Financial Institution out of any loans granted by them to the Company or so long as IDBI, IFCI and ICICI and any other Public Financial Institution (each of which IDBI, IFCI and ICICI is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company

by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non- whole-time, (which Director or Directors is/ are hereinafter referred to as "Nominee Director /s) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place(s).

The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). At the option of the Corporation such Nominee Director(s) shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director(s) shall not be liable to retirement by rotation of Directors Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall *ipso-facto* vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold Debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by Corporation.

The nominee Director(s) appointed under this Article shall be entitled to receive all notices and to attend all General Meeting, Board Meetings and of the Meetings of the Committees of which the Nominee Director /s is/ are member(s) as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director(s) sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nomine Director(s) in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be, to such Nominee Director(s).

Provided that if any such Nominee Director(s) is an officer of the Corporation the sitting fees, in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director(s) is an officer of the Reserve Bank of India, the sitting fees in relation to such Nominee Director's shall also

accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director(s) being appointed as whole time Director(s) such Nominee Director(s) shall exercise such powers and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such Nominee Director(s) shall be entitled to receive such remuneration, fees commission and monies as may be approved by the Lenders subject to the approval of the Company Law Board or the Central Government wherever it is necessary as per the provisions of the Companies Act, 1956.

Debenture Directors

130. Any trust deed securing debentures debenture stock may if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders of the debentures or debenture stock of some person to be Director of the Company and may empower such trustees or holders of debentures or debenture stock from time to time remove any Director so appointed. The Director appointed under this Article is herein referred to as the "Debenture Director" and the term Debenture Director means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or subject to the provisions of the Act, to be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Appointment of Alternate Director

131. The Board of Directors of the Company may appoint an Alternate Director to act for Director (hereinafter called "the Original Director") during his absence for the period of not less than three months from the State where the registered office of the company is situated and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An alternate Director appointed under this Article shall not hold office as such 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 the said State. If the term of office of Original Director is determined before he so returns to the said State any provisions in the Act or in these Articles for the automatic reappointment of the retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

Casual Vacancy

132. Subject to the provisions of Sections 262(2) and 284(6) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to terminate by retirement by rotation may be filled up by the Director at a meeting of the Board. 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 the vacancy had not occurred.

Appointment of Additional Director

133. Subject to the provisions of Section 260 and other applicable provisions (if any) of the Act, the Directors shall have power at any time and from time to time to appoint a person or persons as an Additional Director or Directors. The Additional Director shall hold office till the date of the next following Annual General Meeting but shall be eligible for re-appointment.

Qualification of Director

134. A Director of the Company shall not be required to hold any qualification shares.

- 135 (1) The fee payable to a Director (including a Managing or whole-time Director) for attending a meeting of the Board or Committee thereof shall be the amount as fixed by Board of Directors or the Shareholders of the Company as the case may be, from time to time, within the maximum amount prescribed in this respect under the Act or by the Central Government from time to time. Subject to the limitations provided by the Act such additional remuneration, as may be fixed by the Directors, may be paid to any one or more of the Directors for services rendered by him or them and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine, and in default of such determination, equally. Such remuneration and/or additional remuneration may be by way of salary or commission as laid down in Section 309, 349, 350 and 351 on net profits or by participation in profits or by any or all of those modes.
- (2) The Directors may, subject as aforesaid, allow and pay to any Director, who is not a bonafide resident of the place where a meeting is to be held and who shall come to such place for the purpose of attending a meeting, his actual expenditure for travelling, boarding, lodging and other expenses, in addition to his fees for attending such meetings as above specified, and the Directors may from time to time fix the remuneration in addition to the fees laid down by Article 135(1) to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these Articles, and may pay the same.
- (3) Subject to the provisions of Sections 198, 309 and 310 of the Act if any Director, being willing, shall be called upon to perform extra services or to make any, special exertion in going or residing out of place where he normally resides or otherwise for any of the purposes of the Company, the company shall, subject as aforesaid, remunerate such Director or where there is more than one such Director to all of them together either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for the remuneration above provided.
136. The continuing Directors may act notwithstanding any vacancy in their body; but so that subject to the provisions of the Act if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purposes of filling up vacancies or for summoning a General Meeting of the Company.
137. (1) Subject to the provisions of Section 283(2) of the Act, the office of a Director shall become vacant, if :—
- he is found to be of unsound mind by a Court of competent jurisdiction; or
 - he applies to be adjudicated an insolvent; or
 - he is adjudicated an insolvent; or
 - 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 the call unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure;
 - any office or place of profit under the Company or any subsidiary thereof is held by him in contravention of "Section 314 of the Act; or

Remuneration of Director

Directors not bonafide residents of the place where meeting of the Board or committee are held may receive extra compensation and remuneration

Special remuneration to Director going out of the place where he normally resides on the Company's Business or otherwise performing extra services

Directors may act notwithstanding vacancy

When office of Director to become vacant

- (f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer without obtaining leave of absence from the Board of Directors; or
- (g) he becomes disqualified by an order of the Court under Section 203 of the Act; or
- (h) he is removed in pursuance of Section 284 of the Act; or
- (i) 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 he is a Director, accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or
- (j) he acts in contravention of Section 299 of the Act and by virtue of such contravention shall have been deemed to have vacated office; or
- (k) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
- (l) he having been appointed a Director by virtue of his holding any office or other employment in the company ceases to hold such office or other employment in the Company.

Resignation

Director's may contract with Company

(2) Subject to the provisions of the Act, a Director may resign his office at any time by giving notice in writing addressed to the company or to Board of Directors.

138. (1) Subject to the provisions of sub-clauses (2), (3), (4) and (5) of this article and the restrictions imposed by Article 145 and the other Articles hereof and the Act and the observance and fulfillment thereof, no director shall be disqualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as vendor, purchaser, agents, broker or otherwise, not shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director, so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but it is hereby declared that the nature of his interest must be disclosed by him as provided by sub-clause (2) and (4) hereof.

Disclosure of Interest

(2) Every Director who is in any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided in Clause (4) hereof.

When disclosure to be made

(3) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under sub-clause (2) above, shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting concerned or interested, the Director concerned shall take reasonable steps to ensure that it is brought up and read at the first meeting of the Board after it is given.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

General Notice of Interest

(4) For the purposes of this Article, a General Notice to be given to the Board of Directors by a director to the effect that he is a Director or member of a

specified body corporate or is a 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 sufficient disclosure of his 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 further periods of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. The General Notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to ensure that it is brought up and read in the first meeting of the Board after it is given.

- (5) An interested Director shall not 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 any way directly or indirectly concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote: and if he does vote, his vote shall be void;

Interested Director
not to participate or
vote in Board's
proceedings

Provided that this prohibition shall not apply;

- (i) To any contract of Indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the company;
- (ii) to any contract or arrangement entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof he having been nominated as such Director by the company or in his being a member holding not more than two percent of the paid up share capital of such company whichever is greater;
- (iii) in case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.

139. (1) The company shall keep one or more Registers in accordance with Section 301 of the Act in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or Section 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely:—

Register of contracts
in which Directors
are interested

- (a) the date of the contract or arrangement;
- (b) the names of the parties thereto;
- (c) the principal terms and conditions thereof;
- (d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies, the date on which it was placed before the Board;
- (e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.
- (2) Particulars of every such contract or arrangement to which section 297 of the Act or as the case may be, sub-section (2) of section 299 of the Act applies, shall be entered in the relevant Register aforesaid:

- (a) in the case of a contract or arrangement requiring the Board's approval, within seven days (exclusive of Public Holidays) of the meeting of the Board at which the contract arrangement is approved;
- (b) in the case of any other contract or arrangement, within seven days of receipt at the Registered Office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement whichever is later;

and the register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.

- (3) The Register aforesaid shall also specify, in relation to such Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.
- (4) Nothing in the foregoing sub-clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials and services, if the value of such goods and materials or the cost of such services does not exceed five thousand rupees in the aggregate in any year. The Registers as aforesaid shall be kept at the registered office of the company and they shall be open to inspection at such office and extracts may be taken from any of them and the 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.

Directors may be directors of Companies promoted by the company

140. A Director of this company may be, or become a Director of any company promoted by this Company, or in which it may be interested as a vendor, member or otherwise and subject to the provisions of the Act and these articles no such Director shall be accountable for any benefits received as a Director or member of such company.

Disclosure by Director etc. of appointments

141. A Director, Managing Director, Manager or Secretary of the Company shall within twenty days of his appointment to or relinquishment of his office as Director, Managing Director, Manager or Secretary in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under Section 303(1) of the Act. The company shall enter the aforesaid particulars in a register kept for that purpose in conformity with Section 303 of the Act. The Company shall also furnish the aforesaid particular to the Register in accordance with Section 303(2) of the Act.

Disclosure of holdings

142. A Director or Manager shall give notice in writing to the Company his holding of shares and debentures of the company or its subsidiary, together with such particulars as may be necessary to enable the Company to comply with the provisions of Section 307. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The company shall enter particulars of a Director and Manager holding of shares and debentures as aforesaid in a Register kept for that purpose in conformity with Section 307 of the Act.

Directors not to hold office of profit

143. (1) Except with the consent of the Company accorded by a special resolution:—
- (a) no Director of the company shall hold any office or place of profit, and
 - (b) no partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private Company of which such a Director is a Director or member, and no Director, or Manager of such a Private Company shall hold any office or place of profit carrying a total monthly remuneration of five hundred rupees or more except that of Managing

Directors, Manager, Banker, or Trustee for the holders or debentures of the Company.

- (i) under the Company; or
- (ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company;

Provided that it shall be sufficient if the special resolution according to the consent of the company is passed at the General Meeting of the Company held for the first time after the holding of such office or place of profit;

Provided further that where a relative of a Director or a firm in which such relative is a partner, is appointed to an office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of Company may be obtained either in the General Meeting aforesaid or within three months from the date of the appointment, whichever is later.

Explanation:— For the purpose of this clause a special resolution according to consent shall be necessary for every appointment in the first instance to an office or place of profit on a higher remuneration not covered by the special resolution, except where an appointment on time scale has already been approved by the special resolution.

- (2) Nothing in clause (1) above shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or subsidiary thereof having been appointed to such office or place of profit before such Director becomes a Director of the Company.

- (3) Notwithstanding anything contained in clause (1) above:—

- (a) no partner or relative of a Director or Manager,
- (b) no firm in which such Director or manager, or relative of either, is a partner

shall hold any office or place of profit in the company which carries a total monthly remuneration of not less than three thousand rupees except with the prior consent of the company by a special resolution and the approval of the Central Government.

- (4) If any office or place of profit is held in contravention of the provision of clause (1) above, the Director, Partner, Relative, firm or private company concerned shall be deemed to have vacated his or its office as such on and from the date next following the date of the General Meeting of the Company referred to in the first provision or, as the case may be, the date of the expiry of the period of three months, referred to in the second proviso to that clause, and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit. The Company shall not waive recovery of any sum refundable to it under this clause unless permitted to do so by the Central Government.
- (5) Every individual, firm, private company or other body corporate proposed to be appointed to any office or place of profit to which this Article applies shall, before or at the time of such appointment, declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways referred in clause (1) hereof.

- (6) If any office or place of profit referred to in clause (3) is held, without the prior consent of the Company by a special resolution and the approval of the Central Government, the partner relative, firm or private company appointed to such office or place of profit shall be liable to refund to the company any remuneration received or the monetary equivalent of any perquisites or advantage enjoyed by him on and from the date on which the office was so held by him.
- (7) The company shall not waive the recovery of any sum refundable to it under clause (6) unless permitted to do so by the Central Government.
- (8) Any office or place shall be deemed to be an office or place of profit under the Company within the meaning of this article
 - (a) in case the office or place is held by a director and the Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise,
 - (b) in case the office or place is held by an individual other than a Director or by any firm, private company or other body corporate the individual, firm, private company or body corporate holding it, obtains from the Company anything by way of remuneration, whether as salary, fees, commission, perquisites the right to occupy free of rent any premises as a place of residence or otherwise.

Loans to Directors

144. The Company shall observe the restrictions imposed on it in regard to the granting of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any, of the Act.

Board Resolution
necessary for
contracts

145. (1) Except with this consent of the Board of Directors of the Company, a Director of the company or his relative firm in which such a Director or relative is a partner, any other partner in such a firm or a private company of which the Director is a member or Director, shall not enter into any contract with the Company (a) for the sale purchase or supply of any goods, material services or (b) for under-writing the subscription of any shares in or debentures of the Company.
- (2) Nothing contained in the foregoing clause (1) shall affect:—
 - (a) The purchase of goods and materials from the Company, or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private Company as aforesaid for cash at the prevailing market price; 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 the sale, purchase or supply of any 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.
Provided that such contracts do not relate to goods and services the value of which exceeds five thousands Rupees in the aggregate in any year comprised in the period of the contract or contracts.
- (2) Notwithstanding anything contained in sub-clause (1) and (2) above a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of

any goods, materials or services even if the value of goods or cost of such services exceeds five thousands Rupees in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a meeting held within three months from the date on which the contract was entered into.

- (4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under Clause (1) above shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
- (5) If consent is not so accorded to any contract under this Article anything done in pursuance of the contract shall be voidable at the option of the Board.
- (6) The Directors so contracting or being so interested shall not be liable to the Company for any profit realised on any such contract or the fiduciary relation thereby established.

RETIREMENT AND ROTATION OF DIRECTORS

146. (1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these articles be appointed by the Company in General Meeting. Retirement by rotation
- (2) The remaining Directors shall be appointed in accordance with the provision of these Articles and particularly in accordance with the provisions of Articles 129 and 130.
- (3) At the first Annual General Meeting of the Company all the Directors of the Company as are liable to retire by rotation and at every subsequent Annual General Meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. Directors to retire annually how determined
147. Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing articles at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lots. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the meeting at which his reappointment is decided or his successor is appointed. Ascertainment of Director retiring by rotation
148. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment. Eligibility for re-appointment
149. The Company at the Annual General Meeting at which a Director retires in manner aforesaid, may fill up the vacated office by electing the retiring Director or some other person thereto. Company to fill up vacancy
150. (1) If the place of the retiring Director or Directors 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. Provisions in default of appointment
- (2) If at the adjourned meeting also, the place of the retiring Directors or Directors is not filled up and that meeting also has not expressly resolved not to fill the

vacancy, the retiring Directors shall be deemed to be re-appointed at the adjourned meeting unless:

- (a) at the meeting or at the previous meeting a resolution for the re-appointment of such Director or Directors has been put to the meeting and lost;
- (b) The retiring Director or Directors has or have by a notice in writing addressed to the Company or its Board of Directors, expressed his or their unwillingness to be so re-appointed;
- (c) he is or they are not qualified or is or are disqualified for appointment;
- (d) a resolution, whether special or ordinary, is required for their appointment or re-appointment by virtue of any provisions of the Act;
- (e) Article 152 or sub-section (2) of Section 263 of the Act is applicable to the case.

Notice of
candidature for
office of Director

- 151 (1) Subject to the provisions of the Act and these Articles, any person who is not a Retiring Director shall be eligible for appointment to the office of the Director at any General Meeting, if he or some member intending to propose him has, at least fourteen clear days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying candidature for the office of Director or the intention of such member to propose him as a candidate for that as the case may be* alongwith 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 Registered office of the Company a notice under sub-clause (1) of this Article or Section 257 of the Act signifying his candidature for Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.
- (3) On receipt of the notice referred to in this Article, the Company shall inform its members of the candidature of that person for the office of a Director or of intention of a member to propose such person as a candidate for that office, by serving individual notice on members not less than seven days before the meeting provided that it shall not be necessary for the Company to serve individual notices upon the members if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the city, town or village in which the Registered Office of the Company is situated, of which one is published in the English language and the other in the regional language.
- (4) A person other than:
- (a) a Director re-appointed after retirement by rotation or immediately on the expiry of the term of his office; or
 - (b) 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; or
 - (c) a person named as a Director of the Company under these articles as first registered shall not act as a Director of the Company unless he has within thirty days of this appointment signed and filed with the Registrar his consent in writing to act as such Director.

152. At a General Meeting of the Company, a motion shall not be made for appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not objection was taken at the time of its being so moved; provided that where a resolution so moved is passed no provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

Individual
resolution for
Director

153. (1) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office.

Removal of
Director

(2) Special notice as provided by Article 94 and Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

(3) On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned, and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representation is received by it too late for it to do so (a) in the notice of the resolution given to the members of the Company state the fact of the representation having been made; and (b) send a copy of the representation to every member of the Company and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting; provided that copies of the representation need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 132 of Section 262 of the Act, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special Notice of the intended appointment has been given under sub-clause (2) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(6) If the vacancy is not filled under sub-clause (5) it may be filled as a casual vacancy in accordance with the provisions in so far they are applicable or Article 132 or Section 262 of the Act and all the provisions of that Section shall apply accordingly.

(7) A Director who was removed from the office under this Article shall not be appointed as Additional Director by the Board of Directors.

(8) Nothing contained in the Article shall be taken:

- (a) As depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director; or
- (b) As derogating from any power to remove a Director which may exist apart from this Article.

INCREASE OR REDUCTION IN NUMBER OF DIRECTORS

The Company may increase or reduce number of Directors and alter their qualifications

154. Subject to the provisions of the Act and these Articles, the Company may by Ordinary Resolution from time to time increase or reduce within the maximum limit permissible the number of Directors. Provided that any increase in the number of Directors exceeding 12 shall not have any effect unless approved by the Central Government and shall be come void if and so far it is disapproved by the Government.

PROCEEDINGS OF BOARD OF DIRECTORS

Meeting of Directors

155. The Directors may meet together as a Board for the despatch of business from time to time unless the Central Government by virtue of proviso to Section 285 otherwise directs, and shall so meet at least once in every three months and atleast four such meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of the Articles shall not be deemed to be contravened merely by reason of the fact that meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum.

When meeting to be convened and notice thereof

156. A Director or the Managing Director may at any time and the Managing Director upon the request of the Director shall convene a meeting of the Directors. Notice of every meeting of the Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India. The accidental omissions to give notice of any such meeting of the Board of Directors to a Director shall not invalidate any resolution at any such meeting.

Quorum

157. Subject to the provisions of Section 287 and other applicable provisions (if any) of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being round off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Director exceeds or is equal to two-thirds of the total strength, the number or remaining Directors, that is to say, the number of Directors who are not so interested are present at the meeting not being less than two shall be the quorum during such meeting. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and directions by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.

Adjournment of meeting for want of quorum

158. If a meeting of the Board cannot be held for want of quorum then the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday till the next successive day which is not a public holiday at the same time and place or at such other place as the Directors present at the meeting may fix.

Appointment of Chairman, Vice Chairman

159. The Directors may elect a Chairman and a Vice Chairman of their meetings and determine the period for which they will hold office.

Who to preside at meeting of the Board

160. All meetings of the Directors shall be presided over by the Chairman or the Vice Chairman present, but if at any meeting of the Directors the Chairman or Vice Chairman be not present at the time appointed for holding the same, then in that case,

the Managing Director, if present, shall be the Chairman of such meeting, and if the Managing Director be also not present, then in that case, the Directors shall choose one of the Directors then present to preside at the meeting.

161. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman of the meeting whether the Chairman appointed by virtue of these Articles or the Directors presiding at such meeting, shall have second or casting vote.

Question at Board Meeting how decided (Casting Vote)

162. Subject to the provisions of Section 292 of the Act and Article 168 the Directors may delegate any of their powers to Committee(s) consisting of such member or members of their body as they think fit, and they may from time to time revoke and discharge any such Committee(s) either wholly or in part, and either as to persons or purposes; but every Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee 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, subject to the provisions of the Act, the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.

Directors may appoint Committee

163. The meetings and proceedings of any such committee consisting of two or more Directors shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the preceding Articles.

Meeting of Committee how to be convened

164. (1) Save a resolution which the Act requires is to be passed specifically at a Board Meeting a resolution passed by circulation without a meeting of the Board or a committee or the Board appointed under Article 162, shall subject to the provisions of Clause 2 hereof and the Act, be as valid and effectual as a resolution passed at a meeting of the Board or of a Committee duly called and held.

Resolution by circular

(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any to all the Directors or to all members of the Committee then in India (not being less in number than the quorum) for a meeting of the Board or the 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 of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.

(3) Subject to the provisions of the Act a statement signed by the Managing Director or other person authorised in that behalf by the Directors certifying the absence from India of any Director shall for the purpose of this Article be conclusive.

165. Subject to the provisions of the Act and these articles all acts done by any meeting of the Directors or by a Committee of Directors 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 person acting as aforesaid, or that they or any of them were or was 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

Act of Board or Committee valid notwithstanding defect of appointment

appointed and was qualified to be as a Director; provided that nothing in this article shall be deemed to give validity to acts done by the Directors after their appointment had been shown to the Company to be invalid or to have been terminated.

Minutes of proceeding of Board of Directors and Committees to be kept

166. The Company shall cause Minutes of the Meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section of the Act. The minutes shall contain a fair and correct summary of the proceedings of the meeting including the following :—

- (i) The names of the Directors present at the meeting of the Board of Directors or any committee of the Board;
- (ii) All orders made by the Board of Directors or Committee of Board and all appointments of officers and Committees of Board;
- (iii) All resolutions and proceedings of meetings of the Board of Directors and committees of the Board;
- (iv) In the case of each resolution passed at the meeting of the Board of Directors or Committees of the Board, the name of the Directors, if any, dissenting from or not concurring in the resolutions.

By whom minutes to be signed and the effect of minutes recorded

167. All such minutes shall be signed by the Chairman of the meeting as recorded or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.

POWERS OF DIRECTORS

General power of Directors

168. (1) Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do, provided that the Board shall not exercise any powers or do, any act or things which is directed or required whether by the Act or any other law or by the Memorandum of these Articles or otherwise to be exercised or done by the Company in General Meeting provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the company in General Meeting.

- (2) 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.

Consent of Company necessary for the exercise of certain powers

169. The Board of Directors 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 sub-clause (a) above 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 in excess of the limits provided in Article 75;
- (e) Contribute to Charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand Rupees or five percent of its average net profits determined in accordance with the provisions of sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

170. (1) Without derogating from the power vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the company and shall do so only by means of resolution passed at meeting of the Board.

Certain powers to be exercised by the Board only at meeting

- (a) The power to make calls on shareholders in respect of money unpaid on their shares.
- (b) The power to issue debentures.
- (c) The power to borrow moneys otherwise than on debentures.
- (d) The power to invest the funds of the Company.
- (e) The power to make loans.
- (f) Powers u/s 262, 297, 372(5) and 386 of the Act.

Provided that the Board may by a resolution passed at a meeting delegate to any committee or Directors or the Managing Director or any other principal officer of the Company or to a principal officer of any of its branch offices, the powers specified in sub-clauses (c), (d) and (e) of this clause to the extent specified below on such conditions as the Board may prescribe.

- (2) Every resolution delegating the power referred to in sub-clause (1)(c) shall specify the total amount outstanding any time upto which moneys may be borrowed by the delegate. Provided, however, that where the company has an arrangement with its bankers for the borrowing of moneys by way of overdraft, cash credit or otherwise the actual day to day operation of the overdraft, cash credit and or other account by means of which the arrangement is made is availed of shall not require the sanction of the Board.
- (3) Every resolution delegating the power referred to in sub-clause (1)(d) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegate.
- (4) Every resolution delegating the power referred to in sub-clause (1)(e) shall specify the total amount upto which loans may be made by the delegate; the purpose for which the loans may be made and the maximum amount of loan which may be made.
- (5) Nothing contained in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on exercise by the Board or any of the powers referred to in sub-clauses (a), (b), (c), (d) and (e) of Clause (1) above.

171. Without prejudice to the powers conferred by Articles 75 and 168 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 Articles

Certain Express powers of the Board

169 and 170, it is hereby declared that the Directors shall have the following powers, that is to say, power.

- To pay preliminary and promotional costs and charges
- To pay commission and interest
- To acquire any property
- To purchase lands and factories
- To erect buildings etc.
- To pay for property in debentures and otherwise
- To insure properties of the Company
- To open Account with Bank
- (1) To pay all costs, charges and expenses preliminary and incidental to the promotion, establishment and registration of the Company.
 - (2) To pay and charge to the capital of the Company any commission or interest lawfully payable thereat under the provisions of Sections 76 and 208 respectively of the Act and Articles 15 and 181.
 - (3) Subject to the provisions of Sections 292, 297 and 360 of the Act and Articles 169 and 144 to purchase or otherwise acquire for the Company property, rights 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 satisfactory.
 - (4) Subject to the provisions of the Act, to purchase, or take on lease for any term or terms of years, to otherwise acquire any factories or any land or lands, with or without building and out houses thereon, situated in any part of India, at such price or rent, and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition proceedings to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
 - (5) To erect and construct, on the said land or lands, buildings, houses, warehouses, and sheds and to alter, extend and improve the same; to let or lease the property of the Company, in part or in whole, for such rent, and subject to such conditions, as may be thought advisable; to sell such portions of the lands of buildings of the Company as may not be required for the purposes of the Company; to mortgage the whole or any portion of property of the Company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.
 - (6) At their discretion and subject to the provisions of the Act to pay for any property or rights acquired by, or service rendered to the Company, either wholly or partly in cash, or in shares, bonds, debenture-stock, mortgage or other 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, debenture-stock, mortgage 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.
 - (7) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of his power.
 - (8) To open account with any bank or bankers or with any Company firm and to pay money into and draw money from any such account from time to time as the Directors may think fit.

- | | |
|---|---|
| (9) 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 other manner as they may think fit. | To secure contract by mortgage |
| (10) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for service rendered to the Company, such condition as to the transfer thereof as they think fit. | To attach conditions of transfer to any share |
| (11) To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof, so far as may be permissible by law. | To accept surrender of shares |
| (12) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the company any property belonging to the Company or in which it is interested, or for any other purposes, and to execute and do shall such deeds and things as may be required in relation to any such trust and or provide for the remuneration of such trustee or trustees. | To appoint trustees |
| (13) To institute, conduct, defend; compound or abandon any legal proceeding 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 debt due, or of any claims or demands by or against the Company. | To bring and defend action |
| (14) To refer any claim or demand by or against the Company or any difference to arbitration and observe and perform any awards made thereon. | To refer to arbitration |
| (15) To act on behalf of the Company in all matters relating to bankrupts and insolvents. | To act in insolvency matters |
| (16) To make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the Company. | To give receipts |
| (17) 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 purposes. | To authorise acceptances |
| (18) Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security and other investments (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Provided that save as permitted by Section 49 of the Act all investments shall be made and held by the Company in its own name. | To investments |
| (19) 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 as security for the benefit of the Company such mortgage of the Company's property (present and future) as they think fit, and such mortgage may contain a power of sale and such other powers, covenants, provisions and agreements as shall be agreed upon. | To execute Mortgages |
| (20) To distribute by way of bonus amongst the staff of the Company part of the profits of the Company, and to give to any officer or other person employed by the Company, a commission on the profit of any particular business or | To distribute Bonus |

transaction; and to charge such bonus or commission as part of the working expenses of the Company.

Arrangements for sharing profits

(21) Subject to the provisions of the Act, to give to any officer or other person employed by the Company an interest in any particular business or transaction by way of a share in general profits of the Company, and such share of profits shall be treated as a part of the working expenses of the Company.

To provide for welfare of employees and to subscribe to Provident Fund etc.

(22) To provide for the welfare of employees or ex-employees of the Company and its Directors or Ex-Directors and the wives, widows and families and the dependants or connections of such persons, by building or houses; dwellings or quarters or by grant of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payments, or by creating and from time to time subscribing or contributing to provident and other funds, profit sharing or other schemes or trust and by providing or subscribing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendances and other forms of assistance, welfare or reliefs as the Directors shall think fit.

To subscribe to charitable and other funds

(23) Subject to the provisions of Sections 293 and 293A of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public political or any other institutions, objects or purposes or for any exhibition.

To create depreciation or other funds

(24) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund, Insurance Fund, General Reserve Fund, Sinking Fund, or any special or other fund or funds or account or accounts to meet contingencies or to pay Redeemable Preference Shares, debentures or debenture stock or special dividends, and for equalising dividends, and for repairing, improving extending and maintaining any part of the property of the Company and/or for such purposes (including the purposes referred to in the last two preceding sub-clauses) as the Directors may in their absolute discretion think conducive to the interests of the Company and to invest the several sums so set aside or as much thereof as are required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Directors may think fit, and from time to time to deal with and vary any such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and so for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretions think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to which the Directors apply or upon which the capital or moneys of the Company might rightly be applied or expended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Directors may think fit and to employ the assets constituting all or any of the above funds or accounts including the Depreciation Fund appointed out of net profits in the business of the Company or in the purchase or repayment of Redeemable Preference Shares, debentures, or debenture-stock and that without being bound to keep the same separate from the other assets, and without being bound, to allow to pay interest on the same with power however to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

- (25) Subject to the provisions of the Act, to appoint and at their discretion remove or suspend such manager, secretaries, officers, clerks, agents and employees for permanent, temporary or special service as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit and also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in sub-clauses (27), (28), (29) and (30) following shall be without prejudice to the general powers conferred by this sub-clause. To appoint employees
- (26) To comply with the requirements of any local laws which in their opinion it shall in the interest of the Company be necessary or expedient to comply with. To comply with local laws
- (27) 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 persons to be members of any Local Board, or any managers or agents, and to fix their remuneration. Local Board
- (28) Subject to the provisions of Section 292 of the Act and Article 170 from time to time, and at any time to delegate to any such Local Board or any member or members thereof or any managers or agents so appointed by powers, authorities, and discretions for the time being vested in the Board of Directors, 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 under this sub-clause shall be subject to such conditions as the Board of Directors may at any time remove any person so appointed, and may annul or vary any such delegation. Delegation
- (29) At any time and from time to time by power of attorney to appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents and excluding the power which may be exercised only by the Board of Directors at a meeting of the Board under the Act or these Articles or by the Company in general meeting) and for such period and subject to such conditions as the Board of Directors may from time to time think fit and any such appointment may (if the Board of Directors think fit) be may in favour of the member or any of the members of any Local Board; established as aforesaid or in favour of any Company or the members, directors, nominees or managers of any company or firm or otherwise in favour of any body of persons whether nominated directors and any such power of attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in them. Power of Attorney
- (30) Subject to the provisions of the Act and these Articles, to delegate the powers, authorities and discretions vested in the Directors to any person, firm, company or fluctuating body of persons as aforesaid. To delegate
- (31) Subject to the provisions of the Act and these Articles for on in relation to any of the members 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 for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company. To enter into contract etc.

**CHAIRMAN, VICE CHAIRMAN, CHAIRMAN & MANAGING DIRECTOR,
VICE CHAIRMAN AND MANAGING DIRECTOR, VICE CHAIRMAN &
JOINT MANAGING DIRECTOR, MANAGING DIRECTOR, MANAGING
DIRECTORS OR WHOLETIME DIRECTOR OR WHOLETIME
DIRECTORS**

Power to appoint
Chairman, Vice
Chairman,
Managing Director
or wholetime
Director

172. Subject to the Provisions of Sections 269, 316 and 317 and other applicable provisions of the Act, and these articles, the Board may, from time to time, appoint one or more Directors to be Chairman, Vice Chairman, Chairman & Managing Director, Vice Chairman & Managing Director, Managing Director or Managing Directors, Vice Chairman & Joint Managing Director, wholetime Director or wholetime Directors of the Company for such term not exceeding five years at a time and may from time to time (subject to the provisions of any contract between him or them and the company) remove or dismiss him or them from office and appoint another or to others in his place or places.

What provisions he
shall be subject to

173. Subject to the provisions of the Act and these Articles, the Chairman, Chairman & Managing Director, Vice Chairman & Managing Director, Managing Director or Managing Directors, Vice Chairman & Joint Managing Director, wholetime director or wholetime directors shall not while he or they, continue to hold the office be subject to the retirement by rotation, but he or they shall, subject to the provisions of any contract between him or them and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he or they shall *ipso facto* and immediately cease to be a Chairman, Chairman & Managing Director, Vice Chairman & Managing Director, Managing Director or Managing Directors, Vice Chairman & Joint Managing Director, wholetime Director or wholetime Directors if he or they cease to hold the office of Director from any cause.

Remuneration

174. The remuneration of the Chairman, Chairman & Managing Director, Vice Chairman & Managing Director, Managing Director or Managing Directors, Vice Chairman and Joint Managing Director, wholetime Director or wholetime Directors (subject to the provisions of Section 309 and other applicable provisions of the Act and of any contract between him or them and the company) shall be in accordance with the terms of his or their contract with the company.

Power & Duties

175. Subject to the provisions of the Act and to the terms of any resolution of the Company in General Meeting or any resolution of the Board and to the terms of any contract with him or them, the Chairman, Chairman & Managing Director, Vice Chairman & Managing Director, Managing Director or Managing Directors, Vice Chairman & Joint Managing Director shall function under the general superintendence, Control and direction of the Board of Directors and subject to such limitation thereon as may be placed by them.

SECRETARY

Secretary

176. Subject to the provisions of Section 383A of the Act, the Directors may appoint a Secretary of the Company for such term, at such remuneration and upon such condition as they may think fit and the Secretary so appointed may be removed by them. The Directors may appoint a temporary substitute for the Secretary, who shall for the purpose of these presents, be deemed to be the Secretary. The main function of the Secretary shall be the responsibility for maintaining registers required to be kept under the Act, for making the necessary documents registered with the Registrar and for carrying out all other administrative and ministerial acts, duties and functions which a Secretary of a Company is normally supposed to carry out, such as giving the

necessary notices to the members, preparing agendas of meetings issuing notice to Directors, preparing minutes of meetings of members and of Directors and of any other statutory documents, and he shall carry out and discharge such other functions and duties that the Directors or the Managing Directors may from time to time require him to do.

REGISTERS, BOOKS AND DOCUMENT

177. (1) The company shall maintain all Registers, Books and Documents as required by the Act or these Articles including the following namely :—

Registers, Books and documents to be maintained by the Company

- (a) Register of Investments not held in the Company's name according to Section 49 of the Act.
 - (b) Register of Members and Index of Members according to Sections 150 and 151 of the Act.
 - (c) Register of Debentures and charges according to Section 143 of the Act.
 - (d) Register and Index of Debenture-holders according to Section 152 of the Act.
 - (e) Register of contracts with and of Companies and Firms in which Directors are interested according to Section 301 of the Act, and shall enter therein the relevant particulars contained in Section 297 and 299 of the Act.
 - (f) Register of Directors and Managing Directors according to Section 303 of the Act.
 - (g) Register of Shareholding and Debenture holdings of Directors according to Section 307 of the Act.
 - (h) Registers of investments of shares or debenture of bodies corporate according to Section 372 of the Act.
 - (i) Books of account in accordance with the provisions of Section 209 of the Act.
 - (j) Copies of instruments creating any charges requiring registration according to Section 136 of the Act.
 - (k) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of the certificates required under Section 161 of the Act.
 - (l) Register of Renewed Duplicate Certificate according to Rule 7(2) of the Companies (Issue of Shares Certificates) Rules, 1960.
- (2) The said Register, Books and Documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection for such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act, or these Articles and extract shall be supplied to those persons entitled thereto in accordance with the provisions of the Act or these Articles.
- (3) The Company may keep a Foreign Register of Members in accordance with Sections 157 and 158 of the Act, subject to the provisions of Sections 157 and 158 the Directors may from time to time make such provisions as they may think fit in respect of the keeping of such Branch Registers of Members and/or Debenture-holders.

THE SEAL

Seal

178. The Board shall provide a seal for the company, and shall have power from time to time destroy the same and substitute a new seal in lieu thereof, and Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given, and in the presence of a Director of the Company or such other persons appointed by the Directors for the purpose.

Deeds how executed

179. Subject to the provisions relating to the issue of share certificates, 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 of the Company, be signed by the Managing Director or by any one Director or any other authorised person provided nevertheless that certificates of debentures may be signed by one Director only or by the secretary of the Company or by an attorney of the Company duly authorised in this behalf and certificates of shares shall be signed as provided in Article (16).

Seals abroad

180. The Company may exercise the power conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors.

INTEREST OUT OF CAPITAL

Payment of interest out of capital

181. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings 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 works or building or the provision of plant.

DIVIDENDS

Division of Profits

182. The profits of the Company, subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that any capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid up during such period on such share.

Capital paid up in advance at interest not to earn dividend

183. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.

Dividends in proportion to amount paid up

184. The Company may pay dividend in proportion to the amount paid up or credited as paid up on each share where a large amount is paid up or credited as paid up on some shares than on others.

The Company in General Meeting may declare a dividend

185. The Company in General Meeting may, subject to the provisions of section 205 of the Act, declare a dividend to be paid to the members according to their respective rights, and interests in the profits and subject to the provisions of the Act may fix the time for its payment. When a dividend has been so declared either the

dividend shall be paid or the warrant in respect thereof shall be posted within 42 days of the date of the declaration to the shareholders entitled to the payment of the same.

186. No larger dividend shall be declared than is recommended by the Director but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of section 205 and rules made thereunder Secs 206 and 207 of the Act and no dividend shall carry interest as against the company. The declaration of the Directors as, to the amount of the net profits of company shall be conclusive.

Power of Company to limit dividend

187. Subject to the provisions of the Act, the Directors may, from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

Interim Dividend

188. Subject to the provisions of Section 205A of the Act, the Directors may retain the dividends payable upon any shares in respect of which any person is under Article 57 hereof, 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 shall duly transfer the same. The provisions of this Article shall apply to any interest created in a share either by reason or transmission or by operation of law or otherwise.

Retention of dividends until completion of transfer under Article 57

188A. Notwithstanding anything contained in any other provisions of the Articles of Association, where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, the provisions of Section 206A of the Act shall apply in regard to right to dividend in relation to such shares; as also any offer of right shares and any issue of fully paid-up bonus shares in relation to such shares shall be kept in abeyance in accordance with the provisions of the said section.

Rights to dividend, right shares and bonus shares to be held in abeyance pending registration of transfer of shares.

189. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise however either alone or jointly with any other person or persons; and the Directors may deduct from the interest or dividend payable to any member all sums of money due from him to the Company.

No member to receive dividend whilst indebted to the Company and Company's right of re-imburement thereout

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

Transfer of Share must be registered

191. Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the Registered address of the member or person entitled to the share or in case of joint holders to that one of them first named in the Register in respect of the joint holding. 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 lost in transmission or for any dividend lost to the member or other person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent or improper recovery thereof by any other means.

Dividends how remitted

192. There shall be no forfeiture of unclaimed dividends these shall be dealt with in accordance with Section 205A of the Companies Act.

Dividends shall not be forfeited

193. Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call to each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the call.

Dividend and call together

193 A. Where the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called Unpaid Dividend of Jaypee Cement Limited and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund. No claim shall lie against the Fund or the Company in respect of unpaid/unclaimed dividend, which has been transferred to the Fund.

CAPITALISATION

194. (1) The Company in General Meeting may resolve that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realisation) and where permitted by law from the appreciation in value of any capital assets of the Company standing to the credit of the General Reserve, or any Reserve Fund or any other funds of the Company or in the hands of the Company and available for dividend be capitalised.

- (a) By the issue and distribution as fully paid up shares, debentures, debenture-stock, bond or other obligations of the Company, or
- (b) By crediting shares of the Company which may have been issued and are credited as partly paid up with the whole or any part of the sum remaining unpaid thereon.

Provided that any amount standing to the credit of the Shares Premium Account or Capital Redemption Reserve shall be applied only in crediting the payment of shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

- (2) Such issue and distribution and such payment to the credit of unpaid share capital under (1) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution or payment under (1) above shall be made on the footing that such members become entitled thereto as capital.
- (3) The Directors shall give effect to any such resolution and apply such portion of the profits, General Reserve or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under (1)(a) above or (as the case may be) for the purpose of paying in whole or in part the amount remaining unpaid on the shares which may have been issued and are not fully paid under (1) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

- (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments be made to any members on the footing, of the value so fixed and may vest such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares and fractional certificates or otherwise as they may think fit.
- (5) Subject to the provisions of the Act and these Articles in case where some of the shares of the Company are fully paid up and others are partly paid up only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares, and the partly paid shares the sum so applied in payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rate in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.
- (6) When deemed requisite a proper contract shall be filled in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

195. (1) The Company shall keep at its Registered Office proper books of Account with respect to :

Books of Account to be kept

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

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within seven days of the decision, file with the Registrar of Companies notice in writing giving the full address, of that other place.

- (2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarised returns made up-to-date at intervals of not more than three months, shall be sent by the Branch office of the Company to its Registered Office or other place in India as the Board thinks fit where the main books of the Company are kept.
- (3) All the aforesaid books shall give a true and fair view of the affairs of the Company or its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.
- (4) The books of Account and other books and papers shall be open to inspection by any Director during business hours.

Books of Account to be preserved

Inception by Members of accounts and books of the Company

Statement of Account to be furnished to General Meeting

196. The books of Account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

197. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions and regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.

198. The Board of Directors shall lay before each Annual General Meeting a Profit and Loss account which shall relate :—

- (a) In case of the first Annual General Meeting of the Company, to the period beginning with the incorporation of the company and ending with a day which shall not precede the day of the meeting by more than nine months; and
 - (b) In case of any subsequent Annual General Meeting of the Company, to period beginning with the day immediately after the period for which the account was last submitted and ending with the day which shall not precede the day of the meeting by more than six months, or in case where an extension of time has been granted for holding the meeting under the second proviso to sub-section (1) of section 166 by more than six months and the extension as granted. The period to which the account aforesaid relates is referred to in this Article as a "financial year" and it may be less or more than a calendar year, but it shall not exceed fifteen months; provided nevertheless it may be extended to eighteen months where special permission has been granted in that behalf by the Registrar.
199. 1 (a) Subject to the provisions of Section 211 of the Act, every balance sheet shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall subject to the provisions of the said section, be in the form set out in Part I of schedule VI of the Act, or as near thereto as circumstances admit or in such other form as may be approved by the Central Government either generally or in any particular case, and in preparation of the balance sheet due regard shall be had, as far as may be to the general instructions for the balance sheet under the heading "Notes" at the end of part.
- (b) Subject as aforesaid, every Profit and Loss Account shall give a true and fair view of the profit or loss of the Company for the financial year and shall subject as aforesaid, comply with the requirements of Part-II of Schedule VI of the Act so far as they are applicable, thereto.
- (2) There shall be annexed to every balance sheet a statement showing the bodies corporate (including separately the bodies corporate in the same group with the meaning of Section 372(10) of the Act in the shares of which investments have been made by it including all investments whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investment so made in each body corporate.
 - (3) So long as the Company is holding company having a subsidiary the company shall conform to Section 212 and other applicable provisions of the Act.
 - (4) If in the opinion of the Board, any of the current assets of the company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated.

200. (1) Every Balance Sheet and every Profit and Loss Account of the company shall be signed on behalf of the Board of Directors by the Secretary, if any, and by not less than two Directors of the Company, one of whom shall be the Managing Director where there is one and by the Secretary.
- (2) Provided that when only one Director is for the time being in India, the Balance Sheet and profit and loss account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the profit and loss account a statement signed by him explaining the reason for non-compliance with the provisions of sub-clause (1) above.
- (3) The Balance Sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board of Directors in accordance with the provisions of this Article and before they are submitted to the auditors for their report thereon.
201. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report (including the auditors separate, special or supplementary reports if any, shall be attached thereto.
202. (1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserve in such Balance Sheet, and the amount if any, which it recommends to be paid by way of dividend and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.
- (2) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members, and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.
- (3) The Board shall also give the fullest information and explanation in its reports or in case falling under the proviso to Section 222 of the Act in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditors' Report.
- (4) The Boards Report and Addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised shall be signed by such number of Directors as required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of Sub-clauses (1) and (2) of Article 200.
- (5) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clause (1) to (3) of this Article are complied with.
203. The Company shall comply with the requirements of Section 219 of the Act.

Authentication of
Balance Sheet and
Profit and Loss
Account

Profit and Loss
Account to be
annexed and
Auditor's Report to
be attached to the
Balance Sheet

Board's Report to
be attached to
Balance Sheet

Right of members
to copies of Balance
Sheet and Auditors'
Report

ANNUAL RETURNS

Annual Returns

204. The Company shall make the requisite Annual Returns in accordance with the provisions of Sections 159 and 161 of the Act, and shall file with the Registrar copies of the Balance Sheet and Profit and Loss account in accordance with Section 210 of the Act.

AUDIT

Accounts to be Audited

205. Once at least in every year the accounts of the Company shall be balanced, audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditors.

Appointment of Auditors

206. (1) The Company at each Annual General Meeting shall appoint an auditor or auditors to hold office from the conclusion of the next Annual General Meeting as per provision of Sections 224 and 224-A of the Act and shall within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is retiring auditor.

Automatic re-appointment

(2) At any Annual General Meeting a retiring Auditor, by whatsoever authority appointed, shall be re-appointed, unless :—

(a) He is not qualified for re-appointment;

(b) He has given the company notice in writing of his unwillingness to be re-appointed;

(c) A resolution has been passed at the meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or

(d) Where notice had been given of an intended Resolution to appoint some person or persons in the place of a retiring auditor and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the Resolution cannot be proceeded with.

Power of Central Government to fill vacancy

(3) Where at an Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

Company to intimate to Central Government

(4) The Company shall within seven days of the Central Government's power under sub-clause (3) becoming exercisable, give notice of that fact to that Government.

(5) The first auditor of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company, and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting. Provided that the Company may, at a general meeting, remove any such auditor or shall or any of such auditors and appoint in his or their places any other person or persons who have been nominated for the appointment by any member of the company and of whose nomination notice has been given to the members of the Company not less than fourteen days before the date of the meeting.

Casual Vacancy

(6) The Directors may fill any casual vacancy in the office of Auditor. But while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act, but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

Special notice required for appointment of person other than retiring auditor

(7) A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of

any such notice to the retiring auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this clause shall also apply to the Resolution that a retiring Auditor shall not be reappointed.

- (8) The person qualified for appointment as auditors shall be only those referred to in Section 226 of the Act.

Qualifications and disqualifications of Auditors

- (9) None of the person mentioned in Section 226 of the Act as are not qualified for appointment as Auditors, shall be appointed as Auditors of the Company.

207. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch office of the Company except to the extent to which any exemption may be granted by the Central Government in that behalf.

Audit of Branch Office

208. The remuneration of the Auditors of the Company shall be fixed by the company in General Meeting except that the remuneration of the first Auditors appointed by the Board and or any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

Remuneration of Auditors

209. (1) Every Auditor of the Company shall have the right of access at all times to the books and vouchers of the Company kept at the Registered Office of the Company or elsewhere and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of the Audit.

Right and duties of Auditors

- (2) All notices of and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have received by him shall also be forwarded to the Auditors of the Company, and the Auditor shall be entitled to attend any General Meeting and to be heard to any General Meeting which he attends on any part of the business which concerns him as Auditor.

Right to receive notice of General Meeting etc.

- (3) The Auditor shall make a Report to the Members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account, and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss account which are laid before the Company in General Meeting during his tenure of office and the Report shall state whether, in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view :—

Auditors Report

- (i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year;

and

- (ii) in the case of the Profit and Loss Account of the profit or loss for its financial year.

- (4) The Auditors Report shall also state : —

- (a) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
- (b) Whether, in his opinion, proper books of account as required by law have been kept by the Company so far as appears from his examination of those

books, and proper returns adequate for the purposes of his audit have been received from branch not visited by him;

(c) Whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company's Auditor has been forwarded to him as required by clause (c) and sub-section (3) of that section and how he had dealt with the same in preparing the Auditors' Report;

(d) Whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account and returns.

Social Audit Report

(5) Where any of the matters referred to in sub-clauses (i) and (ii) of clause (3) of this Article, or sub-clause 4 (a), (b), (c) and (d) thereof is answered in the negative or with a qualification the Auditor's Report shall state the reason for the answer.

(6) The auditors report shall also include a statement on the matters as provided under the Manufacturing and Other Companies (Auditors Report) order 1975 issued by the Company Law Board under Section 227 (4A) of the Companies Act 1956 or on such matters as may be specified from time to time.

(7) The accounts of the Company shall be deemed as not having been, and the Auditors' Report shall not state that these accounts have not been properly drawn upon the ground merely that the Company has not disclosed certain matters;

(a) Those matters are such as the Company is not required to disclose by virtue of any provisions contained in the Act or any other Act and

(b) These provisions are specified in the Balance Sheet and Profit and loss Account of the Company.

Accounts when audited and approved to be conclusive except as to errors discovered within three months

210. Every account when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error discovered within that period, the account shall forthwith be corrected and thenceforth shall be conclusive and a copy of the accounts as corrected should be filed with the Registrar.

DOCUMENTS AND SERVICE OF DOCUMENTS

Service of documents how effected

211. (1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered or (if he has no registered address in India) to the address if any within India supplied by him to the Company.

(2) Where a document has been sent by post:

(a) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing, the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in manner intimated by the member; and

(b) such service shall be deemed to have been effected:

- (i) in the case of a notice of a meeting at the expiration of fortyeight hours after the letter containing the notice is posted; and
- (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

212. If a member has no registered address in India and has not supplied to the Company an address within India for giving notice to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which advertisement appears.

Service on members having no registered address

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

Service on person acquiring shares on death or insolvency of member

214. Subject to the provisions of the Act and these Articles Notice of General Meeting shall be given:

Persons entitled to Notice of General Meeting

- (i) to members of the Company as provided by Article 91 in any manner authorised by Articles 211 and 212 as the case may be or as authorised by the Act;
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 213 or as authorised by the Act;
- (iii) to the auditor or auditors for the time being of the Company, in any manner authorised by Article 211 or the Act in the case of any member or members of the Company.

215. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members; or any of them, and not expressly provided for by these presents shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper, circulating in the district in which the Registered Office of the Company is situated.

Advertisement

216. 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, shall be duly served on or sent to the person from whom he derives his title to such share.

Members bound by document given to previous holders

217. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint and such signature may be written or printed or lithographed.

Notice of Company and signature thereto

218. All notices to be given on the part of the members to the Company shall be left at or sent by post under certificate of posting by registered post to the Registered Office of the Company.

Service of notice by members

AUTHENTICATION OF DOCUMENTS

219. Save as otherwise expressly provided in the Act of these Articles a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director or an authorised officer of the Company and need not be under its seal.

Authentication of documents and proceedings

WINDING UP

Distribution of
assets

220. If the company shall be wound up, and the assets available for distribution among the members, as such, shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be possible the losses shall be borne by the members in proportion to the capital paid up or, which ought to have been paid up, at the commencement of winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this Article is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution of
assets in specie of
kind

221. (1) If the Company shall be wound up, whether voluntarily or otherwise the liquidators may, with the sanction of a special resolution and other compliances of the Companies Act, 1956, but subject to the rights attached to any preference share capital, divide amongst the contributors in specie or kind, 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 trusts for the benefit of the contributories or any of them as the liquidators, with the like sanction shall think fit.

(2) If through expedient, any such decision may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but; in case any decision otherwise than in accordance with the legal rights of the contributories shall be determined, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(3) In case any of the shares to be divided as aforesaid involve liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing intimate to the liquidators to sell his properties and pay him the net proceeds and the liquidators shall if practicable act accordingly.

Rights of Share
holders in case of
sale

222. A Special Resolution sanctioning a sale to any other company duly passed pursuant to section 494 of the Act, may, subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section.

SECURITY CLAUSE

Secrecy Clause

223. (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 accounts with individuals and in matters related 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 of these presents contained.

- (b) No member shall be entitled to visit or inspect the Company's work without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the member of the company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

224. (a) Subject to the provisions of Section 201 of the Act, every Director of the Company or the Managing Director, Manager, Secretary and other officer or employee of the Company and the Trustee (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all costs, losses and expenses (including travelling expenses) which any such Director, Managing Director, officer or employee and the trustees (if any) for the time being acting in co-relation to any of the affairs of the Company may incur or become liable to by reason of any contract entered into or any act or deed done by him as such Director, officer or servant or in any way in the discharge of his duties.

Director's and others right to indemnity

- (b) Subject as aforesaid every Director, Managing Director, Manager, Secretary or other officer or employee of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is given to him by the court.

225. Subject to the Provisions of Section 201 at the Act, no Director or the Managing Director or other officer of the Company shall be liable for the acts, omissions, neglects, default of any other Director or officer or for joining in any omission or other act for conformity, or for any loss or expenses suffered by the Company through insufficiency or deficiency of title to any property acquired by order of the Directors 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, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty, wilful neglect or default.

Not responsible for acts of others

Sl. No.	Name, addresses, description and occupation of the subscribers	Signature of Subscribers	Signature of Witness with Address and Occupation
1.	Jaiprakash Gaur S/o Late Sh. Baljeet Singh Sharma A-9/27, Vasant Vihar New Delhi-110 057 Industrialist	Sd/- Jaiprakash Gaur	Sd/- Harish K. Vaid S/o Shri R.L. Vaid C-1/1172, Vasant Kunj New Delhi-110 070 (Company Executive)
2.	Sarat Kumar Jain S/o Sh. Sumat Prasad Jain B-1/12, Vasant Vihar, New Delhi-57 Business	Sd/- Sarat Kumar Jain	
3.	Manoj Gaur S/o Shri Jaiprakash Gaur A-9/27, Vasant Vihar New Delhi-110 057 Business	Sd/- Manoj Gaur	
4.	Sunil Kumar Sharma S/o Sh. Nanak Chand Sharma E-9/14, Vasant Vihar, New Delhi-110 057 Business	Sd/- Sunil Kumar Sharma	
5.	Suresh Kumar S/o Late Sh. Trilok Chand B-67 Sarvodaya Enclave New Delhi-110 017 Company Executive	Sd/- Suresh Kumar	
6.	Shyam Datt Nailwal S/o Late Sh. R. D. Nailwal 75, Sreshtha Vihar, New Delhi-110 092 Company Executive	Sd/- Shyam Datt Nailwal	
7.	Harish Kumar Vaid S/o Sh. R. L. Vaid C-1/1172, Vasant Kunj, New Delhi-110 070 Company Executive	Sd/- Harish Kumar Vaid	

Dated: 17th October, 2004

Place: New Delhi

ANNEXURE No....8.....

I N

COMPANY APPLICATION No..... OF 2009
[Under Section 391 read with Section 394 of the Companies Act]

IN THE MATTER OF AMALGAMATION OF :

JAYPEE HOTELS LIMITED
JAYPEE CEMENT LIMITED [
JAIPRAKASH ENTERPRISES LIMITED
GUJARAT ANJAN CEMENT LIMITED

WITH

JAIPRAKASH ASSOCIATES LIMITED

DISTRICT : GAUTAM BUDDHA NAGAR

1. JAIPRAKASH ASSOCIATES LIMITED
having its registered office at
Sector - 128, NOIDA- 201304
District Gautam Buddha Nagar, (UP). Transferee Company
2. JAYPEE HOTELS LIMITED
having its registered office at
Hotel Jaypee Palace, Fatehabad Road,
Agra, Uttar Pradesh.Transferor Company No. 1
3. JAYPEE CEMENT LIMITED
having its registered office at
5 Park Road, Hazratganj,
Lucknow 226 001Transferor Company No. 2
4. JAIPRAKASH ENTERPRISES LIMITED
having its registered office at
Sector - 128, NOIDA- 201304
District Gautam Buddha Nagar, (UP). Transferor Company No. 3
5. GUJARAT ANJAN CEMENT LIMITED
having its registered office at
Sector - 128, NOIDA- 201304
District Gautam Buddha Nagar, (UP)Transferor Company No. 4

..... **APPLICANTS**

JAYPEE CEMENT LIMITED

Regd. Office : 5, Park Road, Hazratganj, Lucknow - 226 001 (U.P.)

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Third Annual General Meeting** of the Members of **JAYPEE CEMENT LIMITED** will be held **on Friday, the 12th September 2008 at 11.00 A.M.** at the Registered Office of the Company at **5, Park Road, Hazratganj, Lucknow - 226 001 (U.P.)** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited **Balance Sheet as at 31st March 2008**, the Statement of Incidental Expenditure Pending Allocation for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Sunny Gaur** who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Rahul Kumar** who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Shri V. K. Jain** who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Shri R. B. Singh** who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint **M/s R. Nagpal Associates**, Chartered Accountants, as **Statutory Auditors** of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions :

As Ordinary Resolutions :

7. "RESOLVED that **Shri Pankaj Gaur** be and is hereby appointed a Director of the Company, liable to retire by rotation."
8. "RESOLVED that **Shri Naveen Kumar Singh** be and is hereby appointed a Director of the Company, liable to retire by rotation."

9. "RESOLVED THAT pursuant to **Section 293(1)(d)** and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company **to borrow** from time to time any sum or sums of money which 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) shall not exceed, in the aggregate, at any one time, **Rs. 1,200 Crores** (Rupees Twelve Hundred Crores only) irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

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10. **INCREASE IN AUTHORISED SHARE CAPITAL**

"RESOLVED THAT pursuant to **Section 94** and other applicable provisions, if any, of the Companies Act, 1956 the **Authorised Share Capital** of the Company be and is hereby increased from Rs. 500,00,00,000 (Rupees Five Hundred Crores) to **Rs. 1000,00,00,000 (Rupees One Thousand Crore)** divided into 100,00,00,000 (One Hundred Crore) Equity Shares of Rs. 10 each by creation of 50,00,00,000 (Fifty Crore) further Equity Shares of Rs. 10 each ranking *pari passu* with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause - V of the Memorandum of Association of the Company be and is hereby substituted by the following new Clause - V :

- V. "The Authorised Share Capital of the Company is Rs. 1000,00,00,000 (Rupees One Thousand Crore only) divided into 100,00,00,000 (One Hundred Crore) Equity Shares of Rs. 10 (Rupees Ten) each."

As Special Resolution :

11. "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, the consent and approval of the Company be and is hereby accorded to the appointment of **Shri Naveen Kumar Singh as Whole-time Director** of the Company for a period of three years **w.e.f. 1st July 2008** at a remuneration as mentioned in the Explanatory Statement."

"RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as mentioned in the Explanatory Statement be paid to **Shri Naveen Kumar Singh, Whole-time Director** as minimum remuneration, notwithstanding that in any financial year during his tenure, the Company has no profits or its profits are inadequate."

"RESOLVED FURTHER THAT the Board of Directors of the Company or which term shall include Remuneration Committee of the Board be and

is hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendment made thereto."

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12. **FURTHER ISSUE OF EQUITY SHARES**

"RESOLVED THAT in accordance with and subject to the provisions of **Section 81**, and all other applicable provisions, if any, of the Companies Act, 1956 and other applicable laws, if any, and relevant provisions of the Memorandum and Articles of Association of the Company, the Board of Directors be and is hereby authorised on behalf of the Company to issue, offer and allot equity shares of Rs.10/- each at par, whether or not such allottee(s) are Members of the Company, **upto an aggregate amount of Rs. 600 Crores.**"

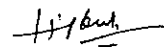
"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to issue and allot, from time to time, such number of equity shares as may be decided by the Board of Directors in its absolute discretion, as may be required to be issued and allotted, all such shares ranking *pari passu* with the existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Equity Shares the Board of Directors be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion, deem necessary or desirable for such purpose, including without limitation, determining the form and manner of the issue, the class of investors to whom the shares are to be allotted, as it may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of shares as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise, with the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director or Directors or any other Officer or Officers of the Company to give effect to the aforesaid Resolution."

On behalf of the Board
For **Jaypee Cement Limited**



(Harish K. Vaid)
Director

Place : New Delhi
Date : 1st July 2008.

NOTES :

- (i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (ii) Members are requested to notify change in address, if any, to the Company at its Registered Office quoting their folio numbers.
- (iii) Members intending to require information about accounts to be explained at the meeting are requested to write to the Company atleast 10 days in advance of the Annual General Meeting.

EXPLANATORY STATEMENT

Following Explanatory Statement, pursuant to the provisions of Section 173(2) of the Companies Act, 1956 sets out the material facts relating to the Special Business mentioned in the accompanying Notice dated 1st July 2008 :

Item No. 7

Shri Pankaj Gaur was appointed as Additional Director w.e.f. 1st July 2008.

By virtue of Section 260 of the Companies Act, 1956 read with Article 133 of the Articles of Association of the Company, he holds office upto the date of ensuing Annual General Meeting of the Company. The Company has received notice in writing alongwith a deposit of Rs. 500 from a member of the Company in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri Pankaj Gaur for the office of Director at the ensuing Annual General Meeting.

Shri Pankaj Gaur, 37, is a B.E (Instrumentation) and has more than 15 years of experience. He worked with Jaypee Rewa and Bela Cement Plants of Jaiprakash Associates Limited from 1993 to 1998. He also looked after the Tala Hydroelectric Project in Bhutan. Since 2005, he has been leading the team of Jaiprakash Associates Limited for the development of the Srisalem Project in Andhra Pradesh. He is Joint Managing Director (Construction) of Jaiprakash Associates Limited. He is also a Director on the Boards of Jaypee Arunachal Power Ltd., Jaypee Ventures Pvt. Ltd. and Pee Gee Estates Pvt. Ltd.

None of the Directors of the Company, except Shri Pankaj Gaur himself, is concerned or interested in the Resolution.

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The Board commends the resolution for your approval as an Ordinary Resolution.

Item No. 8 & 11

Shri Naveen Kumar Singh, 32, is an Engineer and has over eight years of experience in the field of Construction & Management. Considering his abilities, knowledge & experience, the Board of Directors of the Company in their meeting held on 1st July 2008 decided to appoint Shri Naveen Kumar Singh as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and in exercise of the authority vested by the Articles 133 of Articles of Association of the Company. He holds office upto the date of the ensuing Annual General Meeting and, being eligible, offers himself for appointment.

Notice under section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500 has been received in writing from a member of the Company proposing to appoint Shri Naveen Kumar Singh as Director of the Company in this Annual General Meeting.

The Board of Directors in their meeting held on 1st July 2008 had also appointed Shri Naveen Kumar Singh as Whole-time Director of the Company for a period of three years w.e.f. 1st July 2008 at remuneration as may be approved by the Remuneration Committee. His remuneration as Whole-time Director of the Company was duly approved by the Remuneration Committee of the Board in its meeting held on 1st July 2008 itself, for a period of three years w.e.f. 1st July 2008, on the following remuneration:

Basic Pay : Rs.1,50,000/- per month
in the Pay Scale of Rs. 75,000-10,000-1,25,000-12,500-1,87,500 with annual increment on 1st July every year.

Perquisites : Besides the above salary, Shri Naveen Kumar Singh shall be entitled to the perquisites which may include accommodation/ HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, personal accident insurance, use of car and telephone, contribution to Provident Fund, superannuation fund or annuity fund, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and leave encashment at the end of the tenure etc.

Perquisites would be restricted to an amount equal to the annual salary or the amount of entitlement in accordance with Schedule XIII to the Companies Act, 1956 as amended from time to time, whichever is less.

In the event of absence or inadequacy of profit in any year during the tenure of his appointment, the aforesaid remuneration will be paid as the minimum remuneration.

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The Chairman of the Board has been authorised to fix inter-se limits of the aforesaid perquisites to be given to Shri Naveen Kumar Singh.

The statement required under Schedule XIII, Part II, Section II, para 1(B) is at **Appendix I.**

Your Directors feel that the appointment of Shri Naveen Kumar Singh as Whole-time Director shall be in the interest of the Company and commend the Resolution No. 8 as Ordinary Resolution & Resolution No.11 as Special Resolution, for your approval.

None of the Directors of the Company, except Shri Naveen Kumar Singh himself, is concerned or interested in the Resolution.

Item No. 9

The Company is in the process of setting up a Greenfield Integrated Cement Plant of 10,000 tonnes per day clinker production capacity and 3.50 MTPA cement at Jaggayyapeta town in District Krishna, Andhra Pradesh. The project is likely to be commissioned by March, 2011. The primary markets of interest for the Company are Andhra Pradesh, Karnataka and Tamil Nadu. The total estimated project cost for the proposed project is Rs. 1,400 Crores. Considering escalation of the project cost and contingencies which may arise during the construction period, your Directors seek your approval for total borrowings by the Company upto an amount not exceeding Rs. 1,200 Crores, to meet the requirement of funds for this project.

Section 293(1)(d) of the Companies Act, 1956, inter-alia, provides that the Board of Directors of a Public Company shall not, without the consent of such Public Company in general meeting, borrow moneys together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeding the aggregate of paid-up capital of the Company and its free reserves.

Therefore, to meet the requirements of funds, it is considered expedient to seek the approval of the Shareholders in terms of Section 293(1)(d) of the Companies Act, 1956, authorizing the Board to borrow funds up to a limit of Rs. 1,200 Crores, as may be necessary from time to time. Hence the proposal.

None of the Directors of the Company is in any way concerned or interested in the Resolution.

The Board commends the resolution for your approval as an Ordinary Resolution.

Item No. 10

The Present Authorised Share Capital of the Company is Rs. 500,00,00,000 (Rupees Five Hundred Crore only) divided into 50,00,00,000 (Fifty Crore) Equity Shares of Rs. 10 (Ten) each.

The present Issued and Paid-up Share Capital of the Company is Rs. 355,95,07,000 (Rupees Three Hundred Fifty Five Crore, Ninety Five Lac and Seven Thousand only). 456

As the Company is in the process of setting up of a Greenfield Integrated Cement Plant of 10,000 tonnes per day clinker production capacity and 3.50 MTPA at Jaggayyapeta town in District Krishna, Andhra Pradesh at an estimated project cost of Rs. 1,400 Crores, it is expected that in the near future, the Company would need additional equity contribution necessitating increase in the Authorised Share Capital.

Your Directors, therefore, recommend increasing the Authorised Share Capital from the existing Rs. 500,00,00,000 (Rupees Five Hundred Crore only) to Rs. 1000,00,00,000 (Rupees One Thousand Crore only) and passing of the proposed resolution.

None of the Directors is interested in the said resolution.

The Board commends the resolution for your approval as an Ordinary Resolution.

Item No. 12

The Company needs to raise funds for its business requirements and implementation of the future plans. Your Directors propose that the said requirement of funds be met by way of issue of Equity Shares to the extent of Rs. 600 Crores.

The Company is the wholly owned subsidiary of Jaiprakash Associates Limited (JAL). JAL has so far invested Rs. 355,95,07,000 as Equity Share Capital in the Company. This includes 100 equity shares of Rs.10 each held by seven individuals jointly with JAL in which the beneficial interest is held by JAL.

Keeping in view the additional capital requirements, it is proposed to raise the Equity Share Capital from JAL without issuing shares to the existing seven individual shareholders, as mentioned above.

Section 81 of the Companies Act, 1956 provides, inter-alia, that whenever it is proposed to increase the Subscribed Capital of the Company by further issue/ offer and allotment of shares, such shares shall be offered to the existing Shareholders of the Company in the manner laid down in the said Section, unless the Shareholders decide otherwise by passing a Special Resolution to that effect.

Accordingly, the consent of the Shareholders is being sought pursuant to the provisions of the Section 81 and all other applicable provisions of the Companies Act, 1956 read with Unlisted Public Companies (Preferential Allotment) Rules, 2003, as amended, authorizing the Board of Directors to issue shares, at par, as stated in the Resolution, which would result in issuance of further Equity Shares of the Company. The Equity Shares shall rank *pari-passu* in all respects, including to dividend, with the then existing equity shares of the Company.

The Shareholding pattern before and after the offer of Rs. 600 Crore Equity Shares of the Company is as under: 457

SHAREHOLDING PATTERN- BEFORE THE ISSUE

		No. of Equity shares of Rs. 10 each fully paid up	Share Capital in Rs.	%age holding
1	JAL (Holding Co.)	35,59,50,000	355,95,00,000	99.9998%
2	Seven Individuals *	700	7,000	0.0002%
	TOTAL	35,59,50,700	355,95,07,000	100.0000%

* beneficial interest held by JAL

SHAREHOLDING PATTERN- AFTER THE ISSUE (TENTATIVE)

		No. of Equity shares of Rs. 10 each fully paid up	Share Capital in Rs.	%age holding
1	JAL (Holding Co.)	95,59,50,000	955,95,00,000	99.9999%
2	Seven Individuals *	700	7,000	0.0001%
	TOTAL	95,59,50,700	955,95,07,000	100.0000%

* beneficial interest held by JAL

It is expected that allotment shall be completed within twelve months from the date of passing the Special Resolution.

After the said allotment, the Company will continue to be wholly-owned subsidiary of JAL.

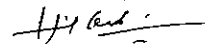
JAL has since given its consent to subscribe to the offer as above.

The requisite Audit Certificate pursuant to 'Unlisted Public Companies (Preferential Allotment) Rules, 2003' has been obtained and shall be laid before the meeting.

Following Directors may be deemed to be concerned or interested in the proposed resolution being Directors of JAL also viz. S/Shri Sunil Kumar Sharma, Sunny Gaur, Pankaj Gaur and S.C. Bhargava.

Your Directors commend the Resolution for your approval as a Special Resolution.

On behalf of the Board
For **Jaypee Cement Limited**



(Harish K. Vaid)
Director

Place : New Delhi
Date : 1st July 2008.

**STATEMENT REQUIRED UNDER SCHEDULE XIII, PART II, SECTION II,
PARA 1(B)**

I. GENERAL INFORMATION	
1.	Nature of Industry Cement manufacturing
2.	Date or expected date of commencement of commercial production The Company, through its subsidiary Gujarat Anjan Cement Limited, is setting up a cement plant in Distt. Bhuj and grinding unit in Distt. Kheda in Gujarat. Phase I of the project is expected to be completed by November 2008 followed by phase II in March 2010. The Company is also in the process of acquiring mines in Andhra Pradesh for its proposed Cement Project.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus Not applicable
4.	Financial performance based on given indicators As per details given in Schedule A
5.	Export performance and net foreign exchange collaborations Exports : Nil There were no Foreign Exchange earning or outgo during the year 2007-08. Net foreign exchange collaborations : Nil
6.	Foreign investments or collaborators, if any Nil
II. INFORMATION ABOUT THE APPOINTEE : Shri Naveen Kumar Singh	
1.	Background details Aged about 32 years. He is a qualified Engineer. He has over 8 years of experience in the field of Construction & Management. Appointed w.e.f 1 st July 2008 as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and in exercise of the authority vested by the Articles 133 of Articles of Association of the Company.
2.	Past Remuneration Nil from the Company
3.	Recognition or awards --
4.	Job profile and his suitability To manage the day-to-day affairs of the Company (including Construction, Exploring business, Production, Marketing, Finance, Human Resource Development, Administration etc.) to the satisfaction of the Board of Directors. His qualifications, experience and past record has proven his suitability.
5.	Remuneration proposed <u>Salary:</u> Rs.1,50,000/- per month in the Pay Scale of Rs.75,000 - 10,000 - 1,25,000 - 12,500 - 1,87,500 <u>Perquisites:</u> restricted to an amount equal to the annual salary.

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6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The comparative remuneration in the industry vis-à-vis similar size of company, profile of position, qualifications and experience is much higher compared to remuneration proposed.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Nil
III. OTHER INFORMATION		
1.	Reasons of loss or inadequate profits.	The Company is in the pre feasibility stage and has not yet started the commercial operation. In view of the above, no Profit & Loss Account has been prepared. The Company has ; thus, only prepared the Balance Sheet of the state of affairs of the Company & a Statement of Incidental Expenditure Pending Allocation.
2.	Steps taken or proposed to be taken for improvement	N. A
3.	Expected increase in productivity and profits in measurable terms	It will be applicable after completion of Project(s).
IV. DISCLOSURES		
1.	Remuneration package of the managerial person	The remuneration package of Shri Naveen Kumar Singh is mentioned above. There is no other managerial person.
2.	Disclosure in Corporate Governance Report, if any.	Not applicable as the Company is not a listed company.

Schedule A

Financial Performance/ Position

S.No.	Indicator	For the Period 19.10.2004 to 31.03.2006	Rs. in Lacs	
			Year ended 31.3.07	Year ended 31.3.08
1	Share Capital	5.07	4505.07	35595.07
2	Reserve and Surplus	19.69	47.07	25.47
3	Fixed Assets (Net)	--	--	246.07
4	Investments	4561.82	10040.10	37390.10
5	Net Current Assets	(63.23)	(8.12)	(105.77)
6	Miscellaneous Expenditure not written off	26.16	26.16	200.14
7	Incidental Expenditure Pending allocation during the year	1.06	8.00	21.61
8	Interest Income earned during the year	31.38	53.95	--
9	Provision for Tax on interest income	10.64	18.56	--

Note : No Profit & Loss Account has been prepared as the Company is in the stage of Pre-Feasibility study of Project(s), and the Company has not yet started the commercial operations.

PROXY FORM

JAYPEE CEMENT LIMITED

Regd. Office : 5, Park Road, Hazratganj, Lucknow - 226 001 (U.P.)

I/We _____ in the district of _____ being a member/members of the above named Company, hereby appoint _____ of in the district of _____ or failing him _____ of _____ in the district of _____ as my / our Proxy to vote for me/us on my/our behalf at the **3rd Annual General Meeting** of the Company to be held **on Friday, the 12th September 2008 at 11.00 A.M.** and at any adjournment thereof.

Signed this _____ Day of _____ 2008.

Affix Rupee One Revenue Stamp

- NOTES:
- a) The form should be signed across the stamp as per specimen signature registered with the Company.
 - b) The proxy form should be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the meeting.

JAYPEE CEMENT LIMITED**DIRECTORS' REPORT**

To
The Members,

Your Directors have pleasure in presenting the **Third Annual Report** together with the Audited Accounts of the Company for the year ended **31st March 2008**.

BUSINESS

The Company is in the process of setting up a Greenfield Cement Plant of 3.50 Million Tonne Per Annum capacity at Jaggayapeta town in District Krishna, Andhra Pradesh. The mining lease for the same has been sanctioned and the Company is in the process of acquiring mines in Andhra Pradesh for the said Cement Plant.

Since your Company is still in the Project stage, 'Statement of Incidental Expenditure Pending Allocation' has been prepared instead of 'Profit & Loss Account'.

As on 31st March 2008, your Company holds 99.88% Equity Shares of Gujarat Anjan Cement Limited (GACL). GACL is setting up Cement Plant at Village Vayor in District Kutch, Gujarat with an aggregate capacity of 4 Million Tonne Per Annum in a phased manner and Grinding Unit of 2.40 Million Tonne Per Annum capacity at Wanakbori, District Kheda, Gujarat. The land for plant, township and other facilities has been acquired; sanction for mining leases has been received and basic infrastructure including accommodation for executives, staff, contract workers has been completed. At the Plant level, work on cement silo, preheater, cement mill, captive power plant are progressing as planned. Orders for critical capital equipments have been placed. The first phase of cement plant as well as grinding unit is planned to be commissioned by November 2008 and the second phase by March 2010.

DIVIDEND

Since the Company is yet to commence operations, no dividend is recommended.

DEPOSITS

The Company has not accepted any deposits within the meaning of Section 58-A of the Companies Act, 1956 and the rules framed thereunder.

- 1 -

DIRECTORATE

Shri Manoj Gaur resigned as Director/Chairman of the Company with effect from 22nd March 2008. The Board places on record its appreciation for the vision, pioneering initiatives and the guidance made available by Shri Manoj Gaur during his tenure as Director/Chairman of the Company.

S/Shri Sunny Gaur, Rahul Kumar, Ranvijay Singh and Sachin Gaur retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

SUBSIDIARY COMPANY

The statement as required under Section 212 of the Companies Act, 1956 in respect of **Gujarat Anjan Cement Limited**, the subsidiary of your Company, is attached along with audited Balance Sheet of the said Company as at **31st March 2008**.

PARTICULARS OF EMPLOYEES

There were no employees during the period under report requiring disclosure under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

PARTICULARS OF CONSERVATION OF ENERGY, ETC.

The provisions relating to particulars with respect to conservation of energy as per Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 for the year ended **31st March 2008** are **not applicable**.

There were no foreign exchange earnings and outgo during the year under Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As per the requirements of Section 217 (2AA) of the Companies Act, 1956, your Directors also confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company at the end of the financial year and of the incidental expenditure pending allocation incurred by the Company in that period;

- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

The Audit Committee comprises of Shri PV Vora (Chairman), Shri Rahul Kumar and Shri RB Singh, Directors of the Company, satisfying the requirements of Section 292A of the companies Act, 1956.

AUDIT REPORT AND NOTES TO THE ACCOUNTS :

The observations of Auditors and Notes to the Accounts are self explanatory.

AUDITORS

The Auditors, M/s. R. Nagpal Associates, Chartered Accountants, New Delhi retire at the conclusion of this Annual General Meeting and, being eligible, offer themselves for re-appointment.

APPRECIATION

Your Directors wish to place on record their appreciation and gratitude to the Bankers and parties with whom the Company had dealings, for their valuable support and co-operation. Your Directors also wish to place on record their gratitude to the Holding Company, Jaiprakash Associates Limited for its support provided to the Company.

On behalf of the Board

Place : New Delhi
Date : 26th April 2008


(RB Singh)
Director


(Rahul Kumar)
Director

**AUDITORS' REPORT
TO THE MEMBERS OF
JAYPEE CEMENT LIMITED**

We have audited the attached Balance Sheet of **JAYPEE CEMENT LIMITED** as at 31st March 2008 and the annexed Statement of Incidental Expenditure Pending Allocation and Cash Flow statement for the year ended 31st March 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (1) As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Section 227(4-A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet and Statement of Incidental Expenditure Pending Allocation and Cash Flow statement referred to in this report, are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Statement of Incidental Expenditure Pending Allocation and Cash Flow statement referred to in this report, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008, and
 - ii) in the case of Statement of Incidental Expenditure Pending Allocation, of the net-expenditure of the Company for the year ended 31st March 2008.
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended 31st March 2008.

Place : NEW DELHI
Dated : 26th April 2008

For R.NAGPAL ASSOCIATES
Chartered Accountants



R. Nagpal
R. NAGPAL
Partner
M.No. 81594

ANNEXURE TO THE AUDITORS' REPORT

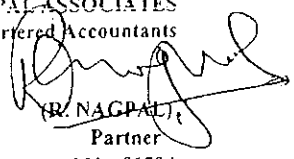
Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March 2008 of JAYPEE CEMENT LIMITED.


- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.
- (c) No Fixed assets have been disposed off during the year, so as to affect the Company as a going concern.
- (ii) As the Company has no inventory, Clause (ii) of Para 4 of the Order is not applicable.
- (iii) The Company has not granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) According to the information and explanations given to us there are no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposit from the public during the year.
- (vii) Clause (vii) of Para 4 of the Order is not applicable. However, during the period under observation, the Company had an internal audit system commensurate with its size & nature of its business wherein it was observed that all transactions are carried out under the personal supervision of directors of the Company.
- (viii) As the Company is in the pre-feasibility stage, Clause (viii) of Para 4 of the Order is not applicable.
- (ix) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Income-tax etc with the appropriate authorities, and there were no arrears of such dues at the year-end which have remained outstanding for a period of more than six months from the date they became payable.
- (b) As per records produced before us and according to the information and explanations given to us there are no dues of Income-tax, Sales-tax, Customs duty, Wealth tax, Service Tax, Excise Duty or Cess which have not been deposited on account of any dispute.
- (x) As the Company is one which has been registered for a period of less than five years, and is in the Pre-feasibility/ implementation stage, Clause (x) of Para 4 of the Order is not applicable.
- (xi) As the Company has not issued any debentures nor taken any loans from banks or financial institutions, Clause (xi) of Para 4 of the Order is not applicable.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Hence, Clause (xiii) of Para 4 of the Order is not applicable.



- (xiv) In our opinion the Company is not dealing in or trading in shares, debentures or other investments. Accordingly, Clause (xiv) of Para 4 of the Order is not applicable.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions; hence Clause (xv) of Para 4 of the Order is not applicable.
- (xvi) The Company has not taken any term loans; hence Clause (xvi) of Para 4 of the Order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we find that funds raised on short term basis have been used for long term investment, to the extent of share application money received by the company pending allotment of shares.
- (xviii) The Company has made preferential allotment of shares during the year to its Holding Company i.e Jaiprakash Associates Limited. The price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) As the Company has not issued any debentures, Clause (xix) of Para 4 of the Order is not applicable.
- (xx) As the Company has not raised any money by way of public issues, Clause (xx) of Para 4 of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place : NEW DELHI
Dated : 26th April 2008

For R.NAGPAL ASSOCIATES
Chartered Accountants

R. NAGPAL
Partner
M.No. 81594

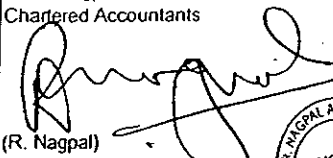





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JAYPEE CEMENT LIMITED

BALANCE SHEET AS AT MARCH 31st, 2008

(In Rupees)

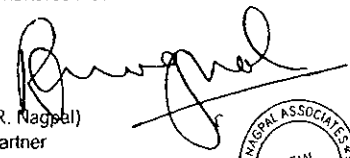



	<u>SCHEDULE</u>	<u>As at</u> <u>31.03.2008</u>	<u>As at</u> <u>31.03.2007</u>
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS FUNDS			
Share Capital	A	3,559,507,000	450,507,000
Share Application Money		211,000,000	550,600,000
Reserves and Surplus	B	2,546,721	4,707,436
TOTAL FUNDS EMPLOYED		<u>3,773,053,721</u>	<u>1,005,814,436</u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	C	24,840,000	-
Less: Depreciation		233,421	-
Net Block		<u>24,606,579</u>	-
INVESTMENTS			
	D	3,739,010,379	1,004,010,379
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	E	6,088,964	343,078
Loans and Advances		<u>3,071,865</u>	<u>25,269,848</u>
		<u>9,160,829</u>	<u>25,612,926</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	F	16,818,966	23,505,769
Provisions		<u>2,919,100</u>	<u>2,919,100</u>
		<u>19,738,066</u>	<u>26,424,869</u>
		(10,577,237)	(811,943)
MISCELLANEOUS EXPENDITURE			
	G	20,014,000	2,616,000
TOTAL APPLICATION OF FUNDS		<u>3,773,053,721</u>	<u>1,005,814,436</u>
Accounting Policies and Notes to the Accounts			
As per our report of even date attached to the Balance Sheet			
For R Nagpal Associates Chartered Accountants		For and on behalf of the Board	
 (R. Nagpal) Partner M. No. 81594		 Director	
		 Director	
Place : New Delhi Dated : April 26, 2008			

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JAYPEE CEMENT LIMITED

STATEMENT OF INCIDENTAL EXPENDITURE PENDING ALLOCATION FOR THE YEAR ENDED MARCH 31, 2008

(In Rupees)

<u>SCHEDULE</u>	<u>2007-08</u>	<u>2006-07</u>
<u>PARTICULARS</u>		
<u>EXPENDITURE</u>		
Consultancy Charges	1,687,400	582,246
Bank Charges	2,055	94,657
Rates & Taxes	19,864	9,120
Misc. Exps.	49,315	2,224
Auditor's Remuneration -Audit Fees	168,660	112,240
Depreciation	233,421	
	2,160,715	800,487
Interest Received on Fixed Deposits with Banks		5,394,676
Less: Provision for Taxation		(1,855,600)
Profit/(Loss) after Tax	(2,160,715)	2,738,589
Add: Surplus brought forward from previous year	4,707,436	1,968,847
Balance Carried to Balance Sheet	2,546,721	4,707,436
Accounting Policies and Notes to the Accounts	H	
As per our report of even date attached to the Balance Sheet		
For R Nagpal Associates Chartered Accountants		For and on behalf of the Board
 (R. Nagpal) Partner M. No. 81594 		 Director  Director
Place : New Delhi Dated : April 26, 2008		

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JAYPEE CEMENT LIMITED

(In Rupees)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE "A"		
SHARE CAPITAL		
Authorised		
50,00,00,000 Equity Shares of Rs 10/- each (Previous Year : 5,00,00,000 Equity Shares of Rs 10/- each)	5,000,000,000	500,000,000
Issued, Subscribed and Paid-up		
35,59,50,700 Equity Shares of Rs 10/- each (Previous Year : 4,50,50,700 Equity Shares of Rs 10/- each)	3,559,507,000	450,507,000
TOTAL	<u>3,559,507,000</u>	<u>450,507,000</u>
Note : The entire Share Capital is held by Jaiprakash Associated Ltd., the Holding Company		
SCHEDULE "B"		
RESERVES AND SURPLUS		
Surplus		
Surplus transferred from Incidental Expenditure Pending Allocation As per Last Balance Sheet	4,707,436	1,968,847
Profit/(Loss) for the year	(2,104,535)	2,738,589
Amount Carried to Balance Sheet	TOTAL <u>2,602,901</u>	<u>4,707,436</u>
SCHEDULE "D"		
INVESTMENTS (AT COST)		
Unquoted		
Investment in Subsidiary Company		
33,35,62,070 Equity Shares of Gujarat Anjan Cement Ltd of Rs 10 each Fully paid up (Previous Year : 3,65,62,070 Equity Shares of Rs 10/- each Fully paid up))	3,420,663,189	450,663,189
Share Application Money to Gujarat Anjan Cement Ltd.	318,347,190	553,347,190
TOTAL	<u>3,739,010,379</u>	<u>1,004,010,379</u>
Note : The Company holds 99.88% nominal value of Equity Share Capital of Gujarat Anjan Cement Limited		

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②

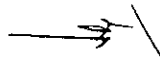
E. S.

JAYPEE CEMENT LIMITED
SCHEDULE - C

FIXED ASSETS

PARTICULARS	GROSS BLOCK		As on 31.03.2008	DEPRECIATION		NET BLOCK	
	Addition during the Year	Sale/ Transfer/ Disposal during the Year		For the Year	Sale/ Adjustment	As on 31.03.2008	As on 31.03.2008
Buildings	24,840,000	-	24,840,000	233,421	-	233,421	24,606,579
	24,840,000	-	24,840,000	233,421	-	233,421	24,606,579

Note: Depreciation for the year Rs. 2,33,421 has been included in Statement of Incidental Expenditure pending allocation



JAYPEE CEMENT LIMITED

(In Rupees)

	As at 31.03.2008	As at 31.03.2007
SCHEDULE "E"		
<u>CURRENT ASSETS, LOANS AND ADVANCES</u>		
A. CURRENT ASSETS		
<u>CASH AND BANK BALANCES</u>		
a) Cash and Cheques in hand		
b) Balance with Schedule Banks		
- In Current Accounts	6,088,964	343,078
A	6,088,964	343,078
B. LOANS AND ADVANCES		
Advance against Purchase of Property		23,000,000
TDS/Advance Tax Paid	3,071,865	2,269,848
B	3,071,865	25,269,848
TOTAL (A+B)	9,160,829	25,612,926
SCHEDULE "F"		
<u>CURRENT LIABILITIES AND PROVISIONS</u>		
A. CURRENT LIABILITIES		
Due to Directors		6,500
Expenses Payable	168,540	141,193
Other Liabilities	16,650,426	23,358,076
A	16,818,966	23,505,769
B. PROVISIONS		
Provision for Taxation	2,919,100	2,919,100
B	2,919,100	2,919,100
TOTAL (A+B)	19,738,066	26,424,869
SCHEDULE "G"		
<u>MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off or adjusted)		
Opening Balance	2,616,000	2,616,000
Addition during the year	17,398,000	-
Closing Balance	20,014,000	2,616,000



JAYPEE CEMENT LIMITED

SCHEDULE 'H'

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

General:

- i) The accounts are prepared on the historical cost basis and on the principles of a going concern.
- ii) Accounting policies, not specifically referred to otherwise, are consistent and in accordance with generally accepted accounting principles.

Fixed Assets

Fixed Assets are stated at cost of acquisition or construction inclusive of freight, erection & commissioning charges, duties and taxes and other incidental expenses related thereto.

Investments

Investments are stated at cost and a provision is made, where there is permanent diminution in the value of investments where applicable.

Revenue Recognition

Revenues/incomes and costs/expenditure are accounted for on accrual basis as they are earned or incurred.

Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method as per the classification and in the manner specified in Schedule XIV to the Companies Act, 1956.

Expenditure During Construction Period

Expenditure incurred on the project during implementation will be capitalized and apportioned to various assets after the commencement of commercial operations.

Preliminary Expenditure

Preliminary Expenses will be written off after the commencement of commercial operations.

Taxes on Income

Deferred tax assets and Deferred Tax Liability will be calculated by applying rates and tax that have been enacted or substantively enacted by the Balance Sheet date.



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(B) NOTES ON ACCOUNTS

1. Contingent Liabilities – Nil
2. Estimated amount of contracts remaining to be executed for purchase of Investments and not provided for is Rs 1,82,51,754 (2006-07 : Rs 2,49,53,107)
3. Share Application Money has been received from Jaiprakash Associates Ltd., the holding company. The shares against the same will be issued in due course.
4. In the opinion of Board of Directors, the “Current Assets, Loans and Advances” have a value on realization, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
5. No Profit & Loss Account has been prepared as the company is in the stage of Pre-Feasibility study of Project(s) and the Company has not yet started the commercial operation during the year. However, a Statement of Incidental Expenditure Pending Allocation has been prepared which is in accordance with Schedule VI to the Companies Act, 1956.
6. (a) A provision of Rs NIL has been made towards Income Tax for the year. (2006-07: Rs 18,55,600/-)
- (b) There is no Deferred Tax Liability/Assets as at 31.03.2008.
7. No provision has been made for Provident Fund, Gratuity, Leave Encashment and Fringe Benefit Tax as there was no employee on the rolls of the company as on 31st March, 2008.
8. There were no Foreign Exchange earning or outgo during the year.
9. Additional Information as required by Part-II of Schedule VI is not applicable as the Company is in the stage of Pre-Feasibility Study of Cement Projects(s).
10. There are no Small Scale Industrial Undertakings to whom the company owes more than Rs 1 Lakh, outstanding for more than 30 days as at 31st March, 2008.



A handwritten signature in cursive script.

11. Related Party Disclosures, as required in terms of 'Accounting Standard [AS] - '18' are given below:

Relationships:

- (a) Holding Company : Jaiprakash Associates Limited
- (b) Subsidiary Company : Gujarat Anjan Cement Limited
- (c) Fellow Subsidiary Companies:
 - (i) Jaiprakash Hydro-Power Limited
 - (ii) Jaiprakash Power Ventures Limited
 - (iii) Jaypee Hotels Limited
 - (iv) Jaypee Karcham Hydro Corporation Limited
 - (v) Jaypee Power Grid Limited, Subsidiary of Jaiprakash Hydro-Power Limited
 - (vi) Jaypee Infratech Limited (w.e.f. 05.04.2007)
 - (vii) Jaypee Ganga Infrastructure Corporation Limited (w.e.f. 18.03.2008)
 - (viii) JPSK Sports Pvt. Limited (w.e.f. 07.03.2008)
 - (ix) Himalayan Expressway Limited (w.e.f. 25.05.2007)
 - (x) Madhya Pradesh Jaypee Minerals Limited
 - (xi) Bhilai Jaypee Cement Limited
 - (xii) Bokaro Jaypee Cement Limited (w.e.f. 13.03.2008)
 - (xiii) Gujarat Jaypee Cement & Infrastructure Limited (w.e.f. 26.12.2007)
- (d) Associate Company :
 - (i) Jaypee Ventures (P) Limited
 - (ii) Jaypee Development Corporation Limited, Subsidiary of Jaypee Ventures (P) Limited (w.e.f. 05.12.2007)
 - (iii) JIL Information Technology Limited, Subsidiary of Jaypee Ventures (P) Limited
 - (iv) Gaur & Nagi Limited, Subsidiary of JIL Information Technology Limited
 - (v) Jaypee Kashmir Energy Limited.
 - (vi) Indesign Enterprises Pvt. Limited
 - (vii) Sonebhadra Minerals Pvt. Limited
 - (viii) RPJ Mineral Pvt. Limited



Transactions Carried out with related parties referred to above in ordinary course of business:-

	Referred in (a) above (Rupees)	Referred in (b) above (Rupees)
Receipts:		
Share Capital	2,55,84,00,000	
Share Application Money pending Share Allotment	21,10,00,000	
Payments:		
Share Capital		2,41,66,52,810
Share Application Money pending Share Allotment		31,83,47,190

- 12. Previous year's figures have been regrouped/rearranged wherever considered necessary.
- 13. All the figures have been rounded off to the nearest rupee.

Signature to Schedules "A to H"

For R NAGPAL ASSOCIATES
Chartered Accountants

R. NAGPAL
Partner
M. No. : 81594
Place : New Delhi
Dated : April 26, 2008



For and on behalf of the Board

Director
Director

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JAYPEE CEMENT LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE PURSUANT TO PART- IV OF SCHEDULE - VI TO THE COMPANIES ACT, 1956

I. Registration Details:

Registration No: U26941UP2004PLC029175 State Code No. 20
Balance Sheet Date: 31.03.2008

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue: NIL Rights Issue: NIL
Bonus Issue: NIL Private Placement: 31,09,000
Preferential Allotment: NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	37,73,054	Total Assets	37,73,054
Sources of Funds		Application of Funds	
Paid up Capital	35,59,507	Net Fixed Assets (including expenditure during construction period)	24,607
Share Application Money	2,11,000	Investments	37,39,010
Reserves & Surplus	2,547	Net Current Assets	(10,577)
Secured Loans	--	Misc. Expenditure	20,014
Unsecured Loans	--	Accumulated Losses	--

IV Performance of Company (Amount in Rs. Thousands)

Turnover Nil
Total Expenditure Nil
Profit Before Tax Nil
Profit After Tax Nil
Earning per Share Nil
Dividend Rate Nil

V Generic Names of three principal products/services of company (as per Monetary terms)

Item Code No. (ITC Code) 252329
Product Description Portland Cement / Clinker

For R NAGPAL ASSOCIATES
Chartered Accountants

For and on behalf of the Board

R. NAGPAL
Partner
M. No. : 81594



Place : New Delhi
Dated : April 26, 2008

Director

Director

474

JAYPEE CEMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

Amount in Rupees

	2007-08		2006-07	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Inflow:				
Interest on Fixed Deposits from Banks		-		5,394,676
Less : Income Tax		-		(1,855,600)
				3,539,076
Outflow:				
(a) Purchase of Fixed Assets	24,840,000			
(b) Purchase of Investments	2,735,000,000		547,827,957	
(c) Miscellaneous Expenditure	17,398,000		-	
(d) Increase in Loans & Advances and other Current Assets	(22,197,983)		24,416,040	
(e) Decrease/(Increase) in Current Liabilities	6,686,803		71,050,085	
(f) Incidental Expenditure, Pending Allocation	1,927,294	2,763,654,114	800,487	644,094,569
NET CASH USED IN INVESTING ACTIVITIES "B"		(2,763,654,114)		(640,555,493)
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Inflow:				
(a) Increase in Share Capital	3,109,000,000		450,000,000	
(b) Share Application Money	(339,600,000)	2,769,400,000	100,600,000	550,600,000
Outflow:				
NET CASH FROM FINANCING ACTIVITIES "C"		2,769,400,000		550,600,000
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS "A+B+C"		5,745,886		(89,955,493)
CASH AND CASH EQUIVALENTS AS AT 01.04.2007 (OPENING BALANCE)		343,078		90,298,571
CASH AND CASH EQUIVALENTS AS AT 31.03.2008 (CLOSING BALANCE)		6,088,964		343,078

For R Nagpal Associates
Chartered Accountants



(R. Nagpal)
Partner
M. No. 81594

Place : New Delhi
Dated : April 26, 2008



For and on behalf of the Board


Director


Director

JAYPEE CEMENT LIMITED**ANNEXURE TO THE BALANCE SHEET AS AT 31ST MARCH 2008****STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANIES**

1.	Name of Subsidiary Company	Gujarat Anjan Cement Limited	
2.	Financial Year of the subsidiary company ended on		31.03.2008
3.	Number of Shares held by Jaypee Cement Limited with its nominees in the Subsidiary Company at the end of the financial year of the subsidiary Company:		
	(i) Equity Shares of Rs 10/- each fully paid-up		33,35,62,070
	(ii) Extent of holding		99.88%
	(iii) Share Application Money (Rs.)		31,83,47,190
4.	Date from which it became Subsidiary Company		06.03.2006
5.	The net aggregate of Profit/(Loss) of the Subsidiary Companies as far as it concerns the members of the Holding Company:		
	(i) Not dealt with in the Holding Company's accounts		
	(a) For the Financial year of the Subsidiary		--
	(b) For the Previous Financial Years since it became the Holding Company's Subsidiary		--
	(ii) Dealt within the Holding Company's Accounts:		
	(a) For the Financial Year of the Subsidiary		--
	(b) For the Previous Financial Years since it became the Holding Company's Subsidiary		--
6.	Changes in the interest of Jaypee Cement Limited between the end of the Subsidiary's Financial Year and 31 st March, 2008		
	--Number of Shares acquired		
	--Material Changes between the end of the Subsidiary's Financial Year and 31 st March, 2007		
	(i) Fixed Assets(Net Addition)(Capital Work in Progress)		--
	(ii) Investments		--
	(iii) Moneys lent by the Subsidiary		--
	(iv) Moneys borrowed by the Subsidiary Company other than for meeting Current Liabilities		--

For R NAGPAL ASSOCIATES
Chartered Accountants

For and on behalf of the Board

- Sd -
R. NAGPAL
Partner
M. No. : 81594

↓
Director

Place : New Delhi
Dated : April 26, 2008


Director