

THE COMPANIES ACT 2013
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
XXX PRIVATE LIMITED

Preliminary

- 1. Application of Table 'F'.** The Regulations contained in Table 'F' of the First Schedule to the Companies Act, 2013 so far as they are applicable to a Private Limited Company, shall apply to this Company save in so far as they are expressly or by implication excluded or modified, by the following articles.

Interpretation

- 2.** In these regulations—

I. "The Act" mean the Companies Act, 2013.

"The Company " or "This Company" shall mean

XXX Private Limited

- II. "Section" means Section of the COMPANIES ACT, 2013.
- III. "Board" means the Board of Directors of the Company.
- IV. "Directors" means the Directors of the Company.
- V. Words importing the masculine gender include also the feminine gender and vice-versa.
- VI. "Share Capital" means the Capital for the time being raised or authorized to be raised for the purposes of the Company.
- VII. Members' has the meaning assigned thereto by Section 2(55) of the Act.

- VIII. `Dividend' includes bonus paid in cash but does not include any share issued in satisfaction of capital bonus upon capitalization of undistributed profits or share premium account.
- IX. `General Meeting' means a meeting of Members.
- X. `Annual General Meeting' means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act and any adjourned holdings thereof.
- XI. `Extraordinary General Meeting' means a General meeting of the Members other than Annual General Meeting duly called and constituted and any adjourned holdings thereof.
- XII. `Ordinary Resolution' and `Special Resolution' have the meanings assigned thereto respectively by Section 114 of the Act.
- XIII. `Month' means a Calendar Month.
- XIV. `Paid-up' includes credited as paid-up.
- XV. `In Writing' and `Written' include printing, lithography and other modes of representing or reproducing words in a visible form.
3. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

Private Company

4. The Company is a Private Company within the meaning of Section 2(68) of the Companies Act, 2013 and accordingly.
- i) The Minimum paid up Capital of the Company shall be Rs.1,00,000/- or Such higher amount as may be Prescribed;

- ii) The right to transfer the shares in the Company is restricted in the manner hereinafter appearing;
- iii) The number of members of the Company shall be limited to two hundred; not including:
 - a) Persons who are in the employment of the Company; and
 - b) Persons who, having been formerly in the employment of the Company were members of the Company while in that employment and have continued to be members after the employment ceased; and provided that where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this paragraph be treated as a single member.
- iv) Prohibits any invitation to the public to subscribe for any shares in or debentures of the Company.

Business

- 5(A)** The Company will carry on the business for which it was incorporated and any other business or businesses or lines of business or activity, which the Company is authorized to carry on under its Memorandum of Association.
- 5(B)** Transactions entered with the following entities shall not be treated as Related party transactions;
 - i) Holding company
 - ii) Subsidiary company
 - iii) Associate company
 - iv) Other subsidiary of the holding company

Share capital and variation of rights

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

fit.

7. Authorised Share Capital of the Company shall be as prescribed in the Memorandum of Association of the Company.

8(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

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

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

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

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

(ii) The provisions of Articles (8) and (9) shall mutatis mutandis apply to debentures of the company.

10. (i) Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

(ii) If the company has made provisions in connection with Kinds of Capital and Voting Rights of Equity and Preference shareholders, the provisions of Section 43 and Section 47 will not apply.

- 11.** (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- 12.** The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.
- 13.** Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

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

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

- (ii) The company's lien, if any, on a share shall extend to all dividends payable

and bonuses declared from time to time in respect of such shares.

- 15.** The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

- 16.**(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

- 17.** (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

- 18.** (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the

payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

19. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

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

21. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

22. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

23. The Board—

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

(ii) upon all or any of the monies so advanced, may (until the same

would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Liability of Joint Holders of Securities

24. The joint-holders of a security shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such security.

Transfer of shares

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

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

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

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

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

27. The Board may decline to recognize any instrument of transfer unless—

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

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

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

28. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

29. No share shall be transferred to any person who is not a member of the Company so long as any member or any persons selected by the Directors is willing to purchase the same at a value determined by the Directors in their absolute discretion to be fair.

Transmission of shares

- 30.(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
31. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
32. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
33. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to

which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

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

35. The notice aforesaid shall—

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

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

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

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

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

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

shares.

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

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

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

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

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

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

Alteration of capital

40. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

41. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(i) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(ii) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- (iii) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (iv) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

42. Where shares are converted into stock,—

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

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

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

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

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

- (i) its share capital;
- (ii) any capital redemption reserve account; or
- (iii) any share premium account.

Capitalization of profits

44. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

- (a) that it is desirable to capitalize any part of the amount for the time

being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

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

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

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

(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

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

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

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

(ii) The Board shall have power—

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

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to

them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

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

Bonus Shares

- 46.** The company, subject to the provisions of Section 63 read with relevant rules thereof and also any other applicable provisions of the Act or any other law for the time being in force, the company may issue fully paid-up bonus shares to its members.

Further Issue of Shares

- 47(A)** The company, subject to the provisions of Section 62 read with relevant rules thereof and also any other applicable provisions of the Act or any other law for the time being in force, is authorized to issue further issue of shares on preferential basis to Existing or New Members.
- 47(B)** If the company receives consent from 90% of the members in writing or in electronic mode, then offer of right issue in respect of further issue of shares can be closed before 15 days.

Buy-back of shares

- 48(A).** Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
- 48(B)** The company shall not have Restrictions on purchase or giving of loans of its shares according to Section 67 if the following conditions are satisfied;

- i) In its share capital no other body corporate has invested any money;
- ii) If the borrowings of the company from banks or financial institutions or any body corporate is less than twice its paid up share capital or fifty crore rupees, whichever is lower; and
- iii) If the company has not defaulted in repayment of such borrowings subsisting at the time of making transactions.

Issue and Redemption of preference shares

49.(A) The company, subject to the provisions of Section 55 read with relevant rules thereof and also any other applicable provisions of the Act or any other law for the time being in force, the company may issue any preference shares which are liable to be redeemed within a period of not exceeding twenty years from the date of their issue.

49(B). The Company is eligible to accept deposits from members subject to compliance of Sec 73. The Section 73(2)(a) to 73(2)(e) is not applicable to company provided that company should not accept monies not exceeding 100% of aggregate of the paid up share capital and free reserves, and such company shall file the details of monies so accepted to the Registrar in such manner as may be specified.

Registers & Inspection

50. (i) The company shall keep and maintain Register of Members, Debenture holders, and any other Security Holders in such form and in such manner as may be prescribed in the Act and the relevant rules thereof.

(ii) The Company may keep in any country outside India, in such manner as may be prescribed in the Act and the rules thereof, a part of the register, of Members, Debenture holders and any other Security Holders or beneficial owners, called 'foreign register' containing the name and particulars of security holders residing outside India.

(iii)Registers of Charges is open for inspection to members or creditors or any other person during business hours.

(iv)The books containing minutes of proceedings of general meeting, shall be open during business hours.

General meetings

51.All general meetings other than annual general meeting shall be called extra-ordinary general meeting.

52. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

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

53. Member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

54. A general meeting of a company may be called by giving not less than 7 days' notice either in writing or through electronic mode in such manner as may be prescribed and Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five percent of the members entitled to vote at such meeting.

Proceedings at general meetings

55. (i) No business shall be transacted at any general meeting unless a **QUORUM** of two members personally present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meeting shall be as provided in section 103 of the Act

56. The chairperson, if any, of the Board shall preside as Chairperson at every

general meeting of the company.

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

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

59. Sec 102 is not applicable to the company.

Resolutions requiring special notice

60. Where, by any provision contained in this Act or in this article, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the company.

Adjournment of meeting

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

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

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

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

Voting rights

62. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

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

and

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

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

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

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

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

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

67.(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

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

Proxy

68. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

69.An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

70.A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

71.The company shall have a Board of Directors consisting of individuals as directors and shall have a minimum of 2 and maximum of 15 directors.

72(A) The first Directors of the Company are:-

1. AAAA
2. BBBB

72(B) Appointment of Managing Director, Whole-time director and Manager need not be ratified in general meeting of the company and the company is not required to comply Chapter XIII read with sub-sections (4) and (5) of section 196.

72(C)In a general meeting of a company, a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it, shall not apply to the company.

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

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses

properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

73(B) A company may pay a sitting fee to a director for attending meetings of the Board or committees thereof, such sum as may be decided by the Board of directors thereof which shall not exceed the amount as prescribed under Companies Act, 2013 per meeting of the Board or committee thereof:

73(C). The company can give Loans to director if it satisfies the following conditions;

i. In its share capital no other Body Corporate has invested any money;

ii. If the borrowings of company from Banks or Financial Institution or any other Body Corporate is less than twice of its paid up share capital or fifty crore rupees whichever is lower

iii. If the company has not defaulted in repayment of such borrowings subsisting at the time of making transactions under this section.

73(D) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means.

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

75. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

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

77.(i) Subject to the provisions of section 149 and 161 of the Act and applicable rules thereof, the Board shall have power at any time, and from time to time, to appoint a person as an **Additional Director**, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

78. Subject to the provisions of section 149, 161 of the Act and applicable rules thereof, the Board shall have at any time, and from time to time, may appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an **Alternate Director** for a director during his absence for a period of not less than three months from India.

79(A) Subject to the provisions of section 149 and 161 of the Act and applicable rules thereof, the Board shall have at any time, and from time to time, may appoint any person as a **Director Nominated** by any institution in pursuance of the provisions of any law for the time being in force or by any agreement.

79(B) Deposit of Rs.1,00,000/- for 'Rights of persons other than retiring director to stand for directorship' shall not apply to the company.

Board powers

80. The company is not required to file E-Form MGT 14 with the Registrar of Companies for the following business mentioned in Section 179(3) namely:

- (i) to make calls on shareholders in respect of money unpaid on their shares;
- (ii) to authorise buy-back of securities under section 68;
- (iii) to issue securities, including debentures, whether in or outside India;

- (iv) to borrow monies;
- (v) to invest the funds of the company;
- (vi) to grant loans or give guarantee or provide security in respect of loans;
- (vii) to approve financial statement and the Board's report;
- (viii) to diversify the business of the company;
- (ix) to approve amalgamation, merger or reconstruction;
- (x) to take over a company or acquire a controlling or substantial stake in another company;
- (xi) any other matter which may be prescribed in the rules issued thereunder.

81. The Board of Directors of a company shall exercise the following powers without the consent of the shareholders by a ordinary/special resolution in general meeting, namely:—

- (i) to 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 of such undertakings.
- (ii) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- (iii) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business:

82. Every director of a company who is in any way directly or indirectly, concerned or interested in a contract or arrangement entered or proposed to be entered into as prescribed therein is required to:

- i) disclose the nature of his concern or interest at the meeting of the Board in which such contract or arrangement is discussed and
- ii) interested director in a contract or arrangement is permitted to participate in such meeting after disclosure of his interest.

Duties of Directors

- 83.** A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- 84.** A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- 85.** A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- 86.** A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- 87.** A director of a company shall not assign his office and any assignment so made shall be void.

Powers of Directors

- 88. (i)** The Board may exercise all such powers of the Company and to do all such acts things as are not, by the Act or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed 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.
- (ii)** Subject to the Provisions of the Companies Act, 2013, as may be applicable, the Board of Directors may from time to time, at their discretion, borrow or raise funds for the purpose of the Company. The board of Directors may raise or secure the repayment of such sums may think fit and other security on the under taking of the Company, both present and future, including its uncalled capital for the time being.

Proceedings of the Board

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

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

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

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

91. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

92. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

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

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

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

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

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

95.(i) A committee may meet and adjourn as it thinks fit.

- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 96.** All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 97.** Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

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

98. Subject to the provisions of the Act,—

- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- 99.** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Dividends and Reserve

- 100.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 101.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- 102.**(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 103.**(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 104.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 105.**(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the

register of members, or to such person and to such address as the holder or joint holders may in writing direct.

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

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

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

108. No dividend shall bear interest against the company.

109. Employee Stock Option Scheme. (ESOP) can be made subject to passing of ordinary Resolution in general meeting as per Sec 62(1)(b).

Accounts

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

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

Auditors

111. The company should not appoint a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as auditor of this company, if such persons or partner is at the date of such appointment or reappointment holding appointment as auditor of more than twenty companies other than one person Companies or dormant companies, small companies and private companies having paid-up share capital of such amount as may be prescribed under Sec 141(3)(g) of the Act.

Winding up

112. Subject to the provisions of Chapter XX of the Act and rules made

thereunder—

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

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

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

Indemnity

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

114.(i) Subject to the provisions of the Act every Director, manager or officer of the Company shall be indemnified by the Company against all costs, losses and expenses which any such person may incur or become liable to by reason of any contract entered into or act or deed done by him as such director, manager, or officer or in anyway in the discharge of his duties, including traveling allowances, and the amount for which such indemnity is provided shall be immediately attached as a lien on the property of the Company and have priority as between the members over other claims.

(ii) Without prejudice to the generality of the foregoing it is hereby expressly declared that any filing fee payable on any documents required to be filed with the Registrar of Companies or any other payment to be made to the Registrar of Companies in respect of any act done or required to be done by any Director or other officer, by reason of his holding the said office, shall be paid and borne by the Company.

115.No Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other director or officer, or for joining in any receipt or other act for conformity, or for any loss of expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the directors or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which 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 may be entrusted or deposits, or for any loss occasioned by any error or judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duty of his office or in relation thereto, unless the same happens through his own dishonesty.

Secrecy Clause

116.(i) Subject to the provisions of the Act, no member shall be entitled to inspect the Company's books without the permission of the Directors, or to require discovery of or any 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 which in the opinion of the members of the Company to be communicated to the public.

(ii)Every Director, Manager, Officer, Servant, Agent, Accountant, or any other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of Accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required to do so by the Board or by a Court of 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 contained in these Articles and by the provisions of the Act.

We the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Articles of Association.

S. No.	Photograph of Subscriber	Name, addresses, description and occupation of each Subscriber	Signature of Subscribers	Name. Addresses, description occupation and signature of witness

Place: Chennai

Date:

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