

(THE COMPANIES ACT, 2013)
(COMPANY LIMITED BY SHARES)

**ARTICLES OF ASSOCIATION
OF
A B COTSPIN INDIA LIMITED**

I. PRELIMINARY

Application of Table F

The regulations contained in table 'F' of schedule I to the Act shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.

The heading to these Articles, Sections, parts and paragraphs of schedules and schedules are for convenience only and do not affect the interpretation of these Articles.

II. INTERPRETATION

(1) In these regulations—

"the Act" means the Companies Act, 2013.

"Articles" shall mean these articles of association of the Company, as amended from time to time;

"Assets" means all assets, rights and privileges of any nature and all goodwill associated therewith, including without limitation all rights in respect of all contracts, Intellectual Property, but excluding Property;

"Beneficial Owner" means a person whose name is recorded as such with a depository.

"Board" means the board of directors of the Company and includes every committee consisting of a Director;

"Business" shall mean the business(es) as specified in the objects clause of the Memorandum of Association of the Company.

"Company" means A B Cotspin India Limited a public company incorporated under the Companies Act, 1956;

"Depositories Act" means the Depository Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

(1)



M/s. A B COTSPIN INDIA LTD.
BATHINDA ROAD,
JAITU,
DISTT. FARIDKOT
PUNJAB : 151202

"Depository" means a company which has been granted a certificate of registration under the securities and Exchange Board of India Act, 1992.

"Director" shall mean a director on the Board;

"Equity Shares" means the equity shares having face value of Rs 10 (Rupees ten only) each in the share capital of the Company;

"Extraordinary General Meeting" means the meaning ascribed as per Article 88 of these Articles;

"Law(s)" includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives, decrees, injunction, judgment and orders of any government, statutory authority, tribunal, board, court or recognized stock exchange and, if applicable, government recommendation or restriction, government assessment or international treaties and regulations;

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"Memorandum" means the memorandum of association of the Company;

"Person(s)" means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, unlimited or limited liability company, joint venture, government authority or trust or any other entity or organization;

"Property" shall mean all Freehold and Leasehold Properties;

"Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations issued by the Securities and Exchange Board of India in relation to the Depositories Act, 1996.

"Seal" means the common seal of the Company as per Article 127;

"Security/Securities" shall mean Equity Shares or any securities convertible into Equity Shares, including, any partially or fully convertible debentures, or any warrants, options, coupons or instruments which may enable the holder thereof to acquire Equity Shares and/or any voting rights in the Company and/or its Subsidiaries, as the case may be;

"Shareholder(s)" shall mean the duly registered holders of Equity Shares and or any securities convertible into Equity Shares;

"Transfer" shall mean to transfer, sell, assign, pledge, hypothecate, escrow, create an Encumbrance in or lien on, place in trust (voting or otherwise), transfer by operation of Law or otherwise dispose of any legal, beneficial, equitable or economic interest or in any manner whatsoever, or to transfer ownership or economic interest by issuance of any securities, rights, or obligations or in any other manner whatsoever;

"Words" importing (i) persons include corporations and individuals, (ii) singular number include the plural number and vice versa or (iii) the masculine gender also include the feminine gender.

(2) 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.

III. CAPITAL

1. Capital of the Company

The authorized share capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in clauses V of the Memorandum of Association with the power to increase or reduce the capital in accordance with these Articles and provisions of the Act and the regulations made thereunder for the time being in force in that behalf with the powers to divide or sub-divide, consolidate the share capital, whether original, increased or decreased, into several classes and attach thereto respectively such ordinary preferential or special rights and conditions in such manner as may be for the time being be provided by the regulations of the Company and allowed by the Law.

2. Increase of Share Capital

The Directors may, with the sanction of the Company in General Meeting if necessary, increase the Share Capital by Right Issue of Shares, Preferential Issue of Shares, Issue of Bonus Shares, Sweat Equity Shares or in such other manner as may be permitted by the Act or any other applicable law in accordance with the provisions laid down under thereunder, by such sum to be divided into Share of each amount, as the resolution shall prescribe.

3. Issue & Allotment of shares otherwise than for cash

Subject to the applicable provisions of the Act and these Articles, the Board, subject to approval of shareholders if necessary, may issue & allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered, to the Company

in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash.

4. New Capital same as existing Capital

Except so far as otherwise provided by the conditions of Issue, or by these Articles, any Capital raised by the creation of new shares, shall be considered as part of the original Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, lien, voting, surrender and otherwise.

5. Issue of new Capital

The Company may issue new shares as issue of Bonus Shares as per Section 63 of the Act, Preferential Allotment of Shares as per Section 62 of the Act, Issue of Sweat Equity Shares, Right Issue of Shares or in such other manner as may be permitted by the Act or any other applicable law in accordance with the provisions laid down under thereunder to the existing or new members on the terms of issue resolved by the shareholders in General Meeting.

New Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct, and, if no direction be given as the Directors shall determine.

The Share Capital of the Company may comprise of the following classes:

(i) Equity Share Capital:

(a) with voting rights; or

(b) with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed from time to time.

(ii) Preference Share Capital; and / or

(iii) Any other kind of capital, whether equity share capital, preference share capital or otherwise as allowed by the Act/Law from time to time and whether with differential rights as to dividend, voting or otherwise.

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

6. Offer of new Shares to Members

The new Shares shall, unless otherwise decided by the Company by Special Resolution, be offered to the Members in proportion to existing Shares held by each Member and such offer shall be made by notice specifying the number of Shares to which the Member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on receipt of an intimation from the

Member to whom such notices is given that he declines to accept the Shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

7. Redeemable Preference Shares

Subject to the provisions of section 55 of the Act, any preference shares may, 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.

8. Issue of sweat equity shares by the Company

The Company may issue sweat equity shares subject to fulfillment of conditions as mentioned in the Act and rules made thereunder and also issue shares to the employees including Directors of the Company under the employees stock option scheme.

9. Reduction of Share Capital

Pursuant to Section 66 of the Act, the Company may, from time to time, by Special Resolution and approval from appropriate authority if necessary, reduce its Capital by paying off Capital or cancelling Capital which has been lost or un-represented by available assets, or is superfluous or by reducing the liability on the Shares or otherwise as may seem expedient and Capital may be paid off upon the footing that it may be called up again or otherwise; and the Directors may, subject to the provisions of the Act, accept surrender of Shares.

10. Purchase (Buy Back) of own Shares and Securities

Subject to the Act and these Articles, the Company may purchase its own shares or other specified securities in accordance with sections 67-70 of the Act.

11. Acceptance of Shares

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

12. Issue of Debentures & other securities

Subject to the applicable provisions of the Act and other applicable Law, any debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise,

subject to such terms and conditions as think fit by the Company and may be issued on the condition that they shall be convertible into Shares of any denomination and subject to such conditions as to redemption, surrender, allotment of Shares, etc. The Company shall have power to issue non-convertible debentures and securities subject to the provisions of the Act.

IV. SHARE CAPITAL AND VARIATION OF RIGHTS

13. 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.
14. (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 such fees as may be prescribed for each certificate after the first.
 - (ii) Every certificate including duplicate share certificate, shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
 - (iv) Particulars of Every certificates issued shall be entered in the register of members maintained in the form set out in the Act.
15. If any shares stand in the name of two or more persons, the person first named in the register, shall as regard receipt of dividends, the service of notices, and subject to the provisions of Articles, all or any other matter connected with the Company Except the issue of share certificates, voting at meeting and transfer of share, be deemed the sole holder thereof.
16. (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 such fees as may be prescribed. Where a renewed/duplicate share certificate shall be issued, particulars of every such certificate shall be entered in the Register maintained for such purpose.

(ii) The provisions of Articles 12, 13 and 14 shall *mutatis mutandis* apply to debentures of the company.

17. 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.

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

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

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

19. (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 the Act, 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 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.

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

21. Where any share capital is sub divided, the company in general meeting subject to the provisions of sections 43 and 47 of the Act, may determine that, as between the holders of the shares resulting from such sub division, one or more of such shares shall have some preferential or special rights as regards dividend, repayment of capital, voting or otherwise.
22. Subject to the provisions of section 55 of the Act, 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.

Dematerialisation of Shares

23. The Company may dematerialise all or any of its existing Shares & other securities, rematerialize all or any of its Shares & other securities held in the Dematerialised mode and/or to offer its fresh Shares & other securities or buyback it's Shares in dematerialized form pursuant to the Depositories Act, 1996 and the Relevant Rules, if any.
24. The Company shall intimate the Depository, the details of allotment of securities in electronic form. The Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Securities.
25. Every person holding equity share capital of the Company and whose name is entered as beneficial owner in the records of the Depository shall be deemed to be a member of the Company. Except as otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company.
26. The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with physical and dematerialised form in any medium as may be permitted by Law, including in any electronic form.
27. In the case of transfer and transmission of shares, debentures or other securities, where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.
28. Every Depository shall furnish to the Company, information about the transfer and transmission of shares & other securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.

29. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act.

V. LIEN

30. (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 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 dividend bonuses declared from time to time in respect of such shares.

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

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
 - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
32. (i) To give effect to any such sale, the Board may authorize 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.



33. (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.

VI. CALLS ON SHARES

34. (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/her shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
35. 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.
36. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
37. (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 percent p.a. 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.
38. (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.

39. The Board—

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

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

(c) Money so paid in excess of the amount of calls shall not rank for dividends, or confer a right to participate in profits or exercise voting rights. The Directors may at any time repay the amount so advanced.

40. On the trial or hearing of any suit or proceeding brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of Members of the Company as a holder or one of the holders of the number of shares in respect of which such sum is made and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, was duly convinced or constituted evidence of the debt.

41. Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any Shares nor any part payment or satisfaction thereof nor the receipt by the Company of the portion of any money which shall from time to time be due from any member of the Company in respect of his shares either by any of principal or interest not any indulgence granted by the Company in respect of the Payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

The provisions of these Articles mutatis mutandis shall apply to any other Securities of the Company relating to calls.

VII. NOMINATION OF SHARES

42. Notwithstanding anything contained in these Articles, every holder of shares in, or holder of debentures of the Company may either singly or jointly anytime nominate a person or persons in the prescribed manner to whom the shares and/or interest of the member in the Capital of the Company or debentures shall be transferred in the event of his death. A member may revoke or vary his or her nomination or anytime by notifying the Company to that effect.

43. Where the share in, or debentures of the Company are held by more than one person



jointly, the joint holders up to two persons may together nominate, in the prescribed manner, a person in whom all the rights in the shares in or debentures of the Company shall vest in the event of Death of all the joint holders.

44. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise where a nomination made in the prescribed manner purports 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 to the exclusions of all other persons, unless the nomination is varied or cancelled.
45. Any person who becomes a nominee by virtue of required in the name aforesaid and upon the production of such of nominee evidence as may be requires by the Board or Committee thereof and subject as herein after provided, elect either;
 - (i.) To be registered himself as holder of shares or debentures, as the case may be; or
 - (ii.) To make such transfer of shares or debentures, as the deceased shareholders or debenture holder, as the case may be, could have made.
46. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased share holder or debenture holder, as the case may had transferred the shares or debentures, as the case may be, before his death.
47. No person shall be recognized by the Company as a nominee unless the shareholder has during his life time, giving intimation to the Company of his having appointed as nominee in the manner specified under section 72 of the Act.

VIII. TRANSFER OF SHARES

48. (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.
49. The Board may decline to recognize any instrument of transfer unless—
 - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

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

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

50. 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.

51. The Board may, subject to the right of appeal conferred by section 58 decline to register—
(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(b) any transfer of shares on which the company has a lien.
52. All instrument of transfer which shall be registered shall be retained by the Company for such period as may be prescribed in the Act from time to time. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.
53. No fee shall be charged for transfer or transmission.
54. The Company shall keep the register of transfer, and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share.
55. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering such transfer, the Director shall promptly give notice to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such register holder fails to lodge an objection in writing at the office within allowed time, he shall be deemed to have admitted the validity of the said transfer.
56. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities of the Company.

IX. TRANSMISSION OF SHARES

57. (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.

58. (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.

59. (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.

60. On the transfer of the shares being registered in his name, 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 complied with.

61. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities of the Company.



X. FORFEITURE OF SHARES

62. 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 and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.
63. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
64. 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. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before, the date of forfeiture which shall be the date on which the resolution of the Board is passed forfeiting the shares.
65. (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.
66. (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 together with interest at 9 % p.a. or such other lower rate as the Board may determine from the time of the forfeiture, until payment, and the Board may enforce the payment thereof if they think fit, but shall not be under any obligation to do so;
- (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.

67. (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.
68. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
69. The forfeiture of a share involve the extinction of all interest in and also of all claims and demands against the Company in respect of share and all other rights incidental there to except only such of those rights as by these Articles are expressly saved.
70. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificates originally issued in respect of the relative share 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. When any share, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may issue new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.

XI. ALTERATION OF CAPITAL

71. 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.
72. Subject to the provisions of section 61 of the Act, the Company in General meeting may alter conditions of its Memorandum of Association to:
- (a) Increase its authorized share capital by such amount as it thinks expedient;



- (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

73. Where shares are converted into stock,—

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

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

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

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

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

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

75. Subject to the provisions of the Act and these Articles, the Company may purchase its own shares or other specified securities in accordance with the provisions of sections 67 to 70



of the Act, applicable rules and any other applicable provision of the Act or any other law for the time being in force.

XII. CAPITALIZATION OF PROFITS

76. (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, 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.
77. (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 in fractions; and
(b) to authorize 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 capitalization, 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 capitalized, 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.

XIII. GENERAL MEETINGS

78. All general meetings other than annual general meeting shall be called extraordinary general meeting.

79. (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.

XIV. PROCEEDINGS AT GENERAL MEETINGS

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

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

(iii) No general, annual or extra ordinary meeting shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which such meeting has been convened or called.

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

82. 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.



83. If at any meeting no director is willing to act as Chairperson or if no director is present within half an hour after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
84. No business shall be discussed at any general meeting except the election of a chairman whilst the chair is vacant.
85. In the event of equality of votes, whether on show of hands or electronically or on a poll, the Chairman of the Meeting shall have a second or casting vote.
86. An Annual General Meeting of the Shareholders shall be held as per Section 96 of the Act and shall be called during business hours and on any day that is not a National Holiday and shall be held either at the registered office of the company or as mentioned in Section 96 of the Act with a maximum time gap of 15 months between any two such meetings. All other meetings of the Shareholders other than an annual general meeting shall be as per the Section 100 of the Act and shall be held whenever requested by a majority of the Directors of the Board, or by any Shareholder in accordance with the Memorandum and the Articles.
87. Each Shareholder shall be given notice of the day, time, date, and place of Shareholders' meeting at least Twenty One (21) clear days prior to the date such Shareholders' meeting is to be held; provided, however, that except as may otherwise be required by mandatory provisions of applicable Law or by the Articles, the period for such notice with respect to any particular meeting, may be shortened or dispensed with altogether if consent in writing or by electronic mode of such Shareholders entitled to vote at a Shareholders' meeting is obtained as per Section 101 of the Act.. Every notice of a Shareholders' meeting shall set out the particular businesses proposed to be transacted at such Shareholders' meeting along with the texts of resolutions that are proposed to be adopted at such meeting, and no items save and except those specified in the Notice may be discussed at any Shareholders' meeting, except in accordance with the Act..
88. The quorum for a general meeting shall be as provided in the Act. If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the Company, or if during a meeting there is no longer a quorum-
- (a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
 - (b) the meeting, if called by requisitionists under section 100, shall stand cancelled:
- If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.
89. At any Shareholders' meeting duly convened, the Shareholders shall respectively be present in person through their duly authorized representatives appointed in accordance

with the applicable Law or by proxy, for the purpose of complying with the requirements of a valid quorum, and shall vote all the Equity Shares owned and held by them at such meeting in accordance with the Articles, and in such manner in accordance with the provisions of the Act,

90. A document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her office or address or by such electronic or other mode as may be prescribed in the Act.

XV. ADJOURNMENT OF MEETING

91. (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.

XVI. VOTING RIGHTS

92. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
93. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.
94. (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.



95. 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, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have to be deposited at the office not less than 24 hours before the time of holding of meeting or adjourned meeting at which such person claims to vote.
96. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
97. 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, or in respect of share on when the Company has exercised any right or lien, have been paid.
98. (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.

XVII. PROXY

99. Any member of a Company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf. 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.
100. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.
101. 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.

XVIII. BOARD OF DIRECTORS

102. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them and in our case the First Directors shall be:
- i. Mr. Deepak Garg
 - ii. Mr. Manohar Lal Garg
 - iii. Mr. Ram Dayal Garg
 - iv. Mr. Tarsem Lal Bansal
 - v. Mr. Chaman Lal Bansal
103. The number of Directors shall not be less than three and not more than fifteen, inclusive of nominee Directors.
104. 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.
105. (i) Subject to the provisions of section 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, alternate director and nominee 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) The additional director 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.
- (iii) Subject to the provisions of section 161 of the Act the Board shall have the power to appoint an Alternate Director to act for a director during his absence for a period of not less than three months from India.
106. 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.
107. At every Annual general meeting of the Company one third of such of the Directors for the time being as are liable to retire by Rotation, or if their number is not three or multiple of



three, than the number nearest to one third shall retire from the office in accordance with the provisions of section 152 of the Act.

108. (a) Director excluding the Managing Director and Whole time Director may be paid for each meeting of the Board or a Committee thereof, attended by him a sum not exceeding as specified and prescribed in the Act from time to time.
- (b) Subject to section 197 of the Act the remuneration of a Director shall be determined by the company and may be by way of salary or participation in profit either by way of percentage of profits or otherwise or partly by way of salary or commission or participation in profit or partly by one such way and partly by another.
- (c) Subject to the provision of Section 197 of the Act, if any director, being willing shall be called upon to perform extra services for the purposes of the company, the company shall remunerate such Director by a fixed sum or by percentage of profits or both, as may be determined by the board of Directors and such remuneration may either be in addition to, or in substitution for, his remuneration above provide.
- (d) 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.
109. Notwithstanding anything to the contrary, the Company shall have the Board comprising of such number of independent Directors as may be prescribed under applicable Laws.
110. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

XIX. PROCEEDINGS OF THE BOARD

111. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. Subject to provisions of Section 173 of the Act a minimum number of four meetings of Board of Directors shall be held every year in such a manner that not more than One Hundred and Twenty Days shall intervene between two consecutive meetings of the Board.
- (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.
112. 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.



113. (i) The chairman of the Board of Directors shall preside at all the meetings of Board of Directors. 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 fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting.
114. (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 fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
115. (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.
116. 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.
117. Subject to restrictions placed under section 175 and 179 or any other provisions of the Act and these Articles, resolution of the Board of Director can be passed by circulation and they shall be as valid and agreeable as if they had been passed at a meeting of Board of Directors duly called and constituted. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.



118. The quorum necessary for the transaction of business as per Section 174 of the Act shall be one-third of its total strength (any fraction contained in one third being rounded off to one) or two Directors whichever is higher.

If quorum is not present within thirty minutes from the time when the Board meeting should have begun, or if during a Board meeting there is no longer a quorum, the Board meeting shall be adjourned to such time and place, as the Chairman of the Board may determine. The aforesaid quorum requirements shall also be applicable at such adjourned Board meeting. Provided further that, if such adjourned meeting does not have quorum prescribed under the Act then the Meeting shall stand cancelled.

119. A meeting of the Board of Director 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 articles of the company for the time being vested on or exercisable by the Board of Directors generally.

Provided that nothing in this Article shall be deemed to validate the acts done by a Director once his appointment has been shown to the company to be invalid and could have terminated.

120. The Board of Directors may from time to time, with majority of Directors for the time being so entitled make such by laws as may be considered necessary or desirable in regard to the affairs or the conduct of the business of the company or of Board of Directors or the committee and in all like manner may vary, amend, alter any such by-laws, provided they are not inconsistent with or contrary to these articles and the Board of Directors shall duly comply with and give effect to them.

The Company shall maintain the minutes of meeting of the Board of Directors and its Committees in accordance with the provisions of the Act:

- (a) of all appointment of officers made by the Board of Directors;
- (b) of the names of Directors present at each meeting of the Board of Directors and of any committee of the Board of Directors.
- (c) of all resolutions and proceeding at all meetings of the company and of the Boards of Directors and of the committee of Board of Directors.

XX. POWER OF THE BOARD OF DIRECTORS

121. Subject to the provisions of the Act, the control of the company shall be vested in the Board of Directors, who shall pay all expenses incurred in promoting and registering the company and be entitled to exercise all such power and to all such acts and things as the company is authorized to exercise and do, provided the Board of Directors shall not exercise any power or do any act or thing prohibited by the Act or by any other statute or by the Memorandum of the company or by these Articles or is otherwise to be exercise or done by the company in General Meeting, provided



further that in exercising any such powers or doing any such act or things, the Board of Directors shall be subject to the provisions in that behalf contained in the Act or any other statute or in Memorandum of the company on these Articles or in any regulations not inconsistent therewith and duly made there under including regulations made of the company in General meetings but no regulations made by the company shall invalidate any prior act of the Board of Directors which would have been valid if that regulation had not been made.

122. Subject to the provision of the Act, the Board of Directors may appoint any member or member from their body to work as Manager or Technical Directors or Director in-charge of production, administration or Distribution or in any other capacity on such terms and conditions as the Board of Directors may decide and may subject to section 179 of the Act, delegate any of their powers by such resolution or power given at any time. The Board of Directors may similarly delegate any of their powers and also to revoke such powers at their discretion.

**XXI. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR
CHIEF FINANCIAL OFFICER**

123. Subject to the provisions of the Act and these Articles,—

(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.

124. A provision of the Act or these regulations requiring or authorizing 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.

XXII. THE SEAL

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

(ii) The seal shall not be affixed to any instruments except in the presence of at least one Director or the Company Secretary or any other person authorized by a resolution of the Board of Directors and such Director or the Company Secretary or the Authorized Person shall sign every instrument to which the seal be affixed in his/their presence. Such signatures shall be conclusive evidence of the fact that the seal has been properly affixed. In the case of share certificates the seal shall be affixed in the presence of: (a) Two



Directors if authorized by the Board and (b) the secretary or some other person appointed by the Boards of Directors for the purpose.

XXIII. DIVIDENDS AND RESERVE

126. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
127. Subject to the provisions of section 123 of the Act and the applicable rules there under, 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.
128. (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sum as it thinks proper 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 provisions 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 investment (other than shares of the Company) as the Board may, from time to time, think fit.
- (b) The Board may also carry forward any profits that it may think prudent not to divide, without setting them aside as a reserve.
129. (a) Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and be paid according to the amounts paid or credited as paid on the shares in respect whereof, the dividend is paid, but if so long and nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of these regulations as paid on the share.
- (c) All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the shares during any proportion or proportions 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 shares rank for dividend accordingly.
130. 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.
131. (a) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant or any other instrument, mode of payment as permitted by the Act from time to time. Any such instrument for payment of Dividend be sent through the post directed to the registered address of the holder or, in the case joint holders to the registered address of that one of the joint holders who is first named on the register of

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

(b) Every such cheque or warrant or any other instrument, mode of payment as permitted by the Act from time to time, shall be made payable to the order of the person whom it is sent.

132. Any one of two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such share.
133. Notice of any dividends that may have declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
134. No dividends shall bear interest against the Company.
135. The company shall comply with the provisions of Section 123, 124 and 125 of the Act and rules made there under, in respect of any dividend remaining unpaid or unclaimed with the company.
136. The company shall comply with the provisions of section 123 to 125 of the Act and rules made there under, in respect of any money remaining unpaid with the company in the nature of (i) application moneys received by the company for allotment of any securities and due refund, (ii) deposits received by the company and due for repayment, (iii) debenture issued by the company and matured for redemption and (iv) the interest if any, secured on the amounts referred at items (i), (ii) and (iii) respectively" or any other amount specified under Section 125(1) of the Act.
137. The Company while declaring and making payment of Dividend shall ensure the compliance of the Act and rules there under and put into effect any amendment thereto from time to time.

XXIV. ACCOUNTS

138. The Boards of Directors shall cause proper books of account to be kept respect of:
 - (i.) All sums of money received and expended by the company and matter in respect of which the receipts and expenditure take place;
 - (ii.) All sales and purchase of goods by the company; and
 - (iii.) The assets and liabilities of the company.
139. The Books of account shall be kept at the registered office of the company or, subject to section 128 of the Act at such other place as the Boards of Directors think fit and shall always be open to the inspection of Directors.

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).

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 authorized by the Board or by the company in general meeting.

140. The Boards of Directors shall, from time to time, in accordance with sections 129 of the Act, cause to be prepared and to laid before the company in Annual General Meeting, the Financial Statements consisting of profit and loss Account, Balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in Annual General Meeting together with a copy of the Auditor's Report shall be sent to every member and every holders of debentures of the company and to every person required under the Act provided this regulation shall not require a copy all those document to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any shares or debentures.

XXV. AUDIT

141. Once in every year the account of the company shall be examined by Auditors.
142. The Company at Annual General Meeting shall appoint an auditor or auditors as per Section 139 of the Act to hold office and his appointment, remuneration, right and duties shall be regulated by sections 139 to 146 of the Act.
143. Casual vacancies in the office of Auditor shall be filled as per Section 139 of the Act.

XXVI. WINDING UP

144. Subject to the provisions of Chapter XX of the Act and rules made thereunder read with any other law for the time being in force-
- (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.

XXXVII. BORROWING POWERS

145. Subject to Sections 179 and 180 of the Act, the Board of Directors may, from time to time at their discretion borrow and secure the payment of any sums of money for the purpose of the company.
146. Subject to Section 73 of the Act, the Company may accept deposits from its members on such terms & conditions, including the provision of security, if any, or the repayment of such deposit with interest as may be agreed between the Company and its members.
147. Subject to the provisions of the Act and these Articles, the Board may secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, debentures, debenture stock or by way of charge on the whole or any part of the assets of the Company (both present and future) including its uncalled capital for the time being.

XXXVIII. MANAGEMENT

148. Subject to the provisions of the Act and also subject to the control and superintendence of the Board of Directors, the business and affairs of the company shall be carried on and managed by the Managing Director(s) and/or Whole Time Directors or Directors for the time being and they shall have power and authority on behalf of the company to deal with the Directors for the time being and they shall have power and authority on behalf of the company to deal with the customer or persons having dealings with the company, to enter into all contracts and to do all other things necessary or desirable in the management of the affairs and business of the company or otherwise and engage engineer, clerks, fields officers, professional consultants, other employees, etc. as may be thought proper upon such terms and condition as may be desirable, and to draw and accept on behalf of the company all bills of exchange promissory notes handles, cheque, drafts and other negotiable instruments, open bank accounts, operate such account and issue necessary instructions to the Bank and to refer to arbitrations in or outside the court and file, submit, institute, defend, compromise, withdraw or abandon any legal or other proceedings concerning the affairs of the company and to file any appeal, revision, review or reference application, any document in any court or before any tribunal, judicial/government authority, etc. and to do all such acts which are necessary and incidental to run or manage the affairs of the company in the interest of the company.
149. Subject to the provision of sections 196 of the Act, the company may in general meeting from time to time appoint one or more Directors to be Managing and/or whole time Director of the company for such period and on such terms as the company may think fit and subject to provisions of section 169 of the Act and subject to the terms of any agreement entered into with him, may revoke such appointment. In making such appointment(s) the Board shall ensure compliance with the requirements of the Act and shall seek and obtain such approvals as are prescribed by the Act. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the

superintendence, control and direction of the Board and the Board may from time to time revoke, withdraw alter or vary all or any of such powers.

150. Subject to provision of Section 152 of the Act, a managing Director shall not while he continues to hold that office, be subject to retirement by rotation, nor shall he be reckoned as a directors for the purpose of determining the rotations or retirement of Directors, and (subject to the provisions of any contract between him and the company) he shall be subject to the same provisions as to resignation and removal as the other directors; and he shall ipso facto and immediately, cease to be managing director if he ceases to hold the office of Directors from any cause. However, if number of Director required to retire by rotation exceeds one-third of the total number of the Directors for the time being, then Board of Directors may select such number of directors including Managing Director, be liable to retire by rotation.
151. Subject to the provisions of Section 197 of the Act, Managing Director & Whole Time Directors of the company under these Articles may receive such remuneration and other benefits as may be sanctioned by the company from time to time.
152. The Board shall be entitled to exercise all such powers, and do all such acts and things as the Company is authorized to do, save for those powers which are specifically excluded by the Memorandum and the Articles.
153. At Board meetings, each Director shall have one (1) vote with respect to each matter upon which action is to be taken. All decisions of the Board shall be decided by a simple majority of the Directors present and voting at a Board meeting. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
154. Board meetings shall be convened by the chairman of the Board or as otherwise provided by applicable Law. Provided that, not less than a minimum of Seven (7) Days prior written notice shall be given to each Director of any Board meeting (unless in any particular case a majority of the Directors agree for a Board meeting at shorter notice pursuant to applicable provisions of the Act.
155. Notice of a Board meeting shall be sent to the registered address of the Directors or through e-mail accompanied by a written agenda specifying the business of such meeting and copies of all materials and papers relevant for such Board meeting.
156. Subject to applicable Law, the Directors may participate in Board meetings (or meetings of the committees of the Board) by video conferencing or audio visual means or any other means of communication as prescribed in the Act and rules made thereunder, provided that, each individual taking part in such meetings is able to hear and communicate with other individuals taking part.
157. The quorum and other requirements applicable to a Board meeting (or meetings of the committees of the Board) shall also apply to a meeting held in accordance by participation

in video conference or audio visual means or any other means of communication as prescribed in the Act.

158. The Board shall organize additional committees of the Board for delegating the powers of the Board, consisting of such member(s) of the Board, as to the extent permitted under applicable Law or required there under. Any 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 Board. The proceedings of such a committee shall be placed before the Boards of Directors at its next meeting. A committee may elect a Chairperson of its meetings

XLII. SECRECY

159. No Directors or other officers or employees of the company shall divulge, make known or cause to be divulged or made known by any secret information that may gain or have in the course of discharge of his duties and shall be bound to keep strict secrecy in respect of all things, acts of transactions of the company and shall be liable to compensate, reimburse and make good any loss or damage sustained by the company on account of his default under this Article.

XLIII. BRANCH OFFICE

160. The Company shall have the powers to establish branch office subject to the provisions of Section 2 (14) of the Act or any statutory modifications thereof.

XLIV. GENERAL POWER

161. Wherever in the Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

XLV. OPERATION OF BANK ACCOUNTS

162. The Directors shall have the power to open bank accounts to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundis and bills or may authorise any other person or persons to exercise such powers.

XLVI. KEY MAN INSURANCE

163. The Company may purchase Key Man Insurance policy of such amounts as may be decided by the Board with benefits payable to the Company covering the Key Employees and such of the promoters as may be identified by the Board

XLVII. INDEMNITY

164. 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 favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

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Names, Descriptions, Address, and Occupation of Subscribers	Signature of Subscribers	Names Address, and witness to the Subscribers
Manohar Lal Garg S/o. Sh. Daulat Ram Mall Road, Goniana, Distt. Bathinda. (Business)	Sd/-	
Deepak Garg S/o. Sh. Manohar Lal Garg B-52/1, Mall Road, Goniana, Distt. Bathinda (Business)	Sd/-	I Witness the Signature all the subscribers Sd/- (R. S. Bansal) S/o Sh P.L. Bansal R. Bansal & Co M.No. 13000 Chartered Accountants 4907, P.O. Bajar Bathinda
Chiman Lal S/o Sh. Chiranji Lal, Jaitu, Distt Faridkot (Business)	Sd/-	
Tarsem Lal S/o Sh. Chiranji Lal C/o Sh. Chiranji Lal Chaman Lal Ganga Wale, Jaitu (Business)	Sd/-	
Ram Dayal Garg S/o Sh. Manohar Lal The Mall, Goniana Mandi, Distt. Bhatinda	Sd/-	



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