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Certified True Copy
नीति सेठी NITI SETHI
कम्पनी सचिव / COMPANY SECRETARY
राष्ट्रीय छोटे उद्योग निगम लिमिटेड
The National Small Industries Corporation Ltd.
(भारत सरकार का उपनिवेश / India Enterprises)
ओखला औद्योगिक क्षेत्र, नई दिल्ली-110020
Okhla Industrial Estate, New Delhi-110020

**MEMORANDUM AND ARTICLES
OF
ASSOCIATION
OF
THE NATIONAL SMALL INDUSTRIES
CORPORATION LIMITED**

Certificate of Incorporation

U74140DL1955GOI002481

I hereby certify that **The National Small Industries Corporation (Private) Limited** (A Private Company Limited by Shares) *is this day incorporated under the Indian Companies Act. VII of 1913, and that the Company is Limited.*

Given under my hand at Delhi this Fourth day of February one thousand nine hundred and fifty-five.

Registration fee 575/- paid.

Sd/- *B. R. Seth*

Registrar of Joint Stock Companies,
DELHI

Sd/- *S. J. Gondhlok*

Registrar of Companies,
DELHI

Seal of
Registrar of Joint Stock Companies
DELHI

Certificate of Change of Name

**IN THE OFFICE OF THE REGISTRAR OF COMPANIES
UNDER THE COMPANIES ACT, 1956.**

In the matter of The National Small Industries Corporation Private Limited

I do hereby certify that pursuant to the provisions of Section 23 of Companies Act, 1956 and under order of the Central Government conveyed by the Ministry of Finance, Department of Company Law Administration by their No. 11 (11)-CL/vi/59 dated the 4th March, 1959
Phalguna 1880

to the address of The Mg. Director, National Small Industries Corporation Private Ltd.,

Rani Jhansi Road, (M.M Road), New Delhi-1.

the name of National Small Industries Corporation Private Ltd.
has this day been changed to NATIONAL SMALL INDUSTRIES CORPORATION LTD.

and that the said Company has been duly incorporated as a Company under the provision of the said Act.

Dated this 9th day of March One thousand nine hundred and Fifty nine
18th Phalguna 1880

Sd/-

Asstt. Registrar of Companies, Delhi.

Seal of
Registrar of Joint Stock Companies
DELHI

Memorandum of Association
of
The National Small Industries Corporation
Limited

- I. The name of the company is the **NATIONAL SMALL INDUSTRIES CORPORATION LIMITED.**
- II. The registered office of the Company will be situated in the state of Delhi.
- III. The objects for which the company is established are:-
 - (1) to aid, counsel, assist, finance and protect and promote the interest of micro, small, medium and service enterprises in India, whether owned or run by Government, statutory body, company, firm or individuals, and to provide them with capital, credit, means, resources and technical and managerial assistance for the prosecution of their work and business, to enable them to develop and improve their methods of manufacture, management and marketing and their technique of production.
 - (2) to enter into contracts with, and take up indents from, the Government of India and the State Governments in all their departments and Corporation and other subsidiaries and branches and from any agency or officer thereof, having the necessary power, for fabrication, manufacture, assembly and supply of goods, materials, articles and equipment of every description, rendering of services and to arrange for the performance of such contracts and indents by sub-contracting them to, or placing orders in respect thereof with micro, small, medium and service enterprises or others for the fabrication, manufacture, assembly or supply of such goods, materials, articles, services or equipment or parts thereof, or serving or processing in connection therewith, or such managerial services as may be necessary for the due performance of such contracts and indents, and to have the goods, material, articles and equipment fabricated, assembled and supplied;
 - (3) to consult and co-operate with the appropriate officers of Government having necessary powers in order to utilize the potential productive capacity of plants operated by micro, small, medium and service enterprises concerns;
 - (4) to obtain information as to methods and practices which primary contractors of Government utilize in giving sub-contracts and to take suitable steps to encourage the giving of sub-contracts by primary contractors to micro, small, medium and service enterprises concerns at prices and on terms and conditions which are fair and equitable;
 - (5) to certify to the appropriate Government officers with respect to the competency as to capacity and credit of any micro, small, medium and service enterprises concern or group of such concerns to perform any specific Government contract;
 - (6) to obtain from any Government, Ministry, departmental establishment or agency such reports concerning the giving of contracts and sub-contracts and making of loans to business concerns as may be deemed necessary for carrying out the aforesaid objects;

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- (7) to grant or guarantee or recommend the grant of loans to micro, small, medium and service enterprises, to which such sub-contracts are given or orders are issued, as aforesaid, in order to enable them, in carrying out the sub-contracts or orders, to finance plant, construction, conversion, or expansion, including the acquisition of land or to finance the acquisition of equipment, facilities, machinery, supplies or materials or to supply such concerns with working capital to be used in the manufacture of articles equipment, supplies, rendering of services or materials under contract to Government or to this Company, to provide them with such financial, technical, managerial and other assistance as may be deemed necessary for the purpose of enabling them to execute and carry out the sub-contracts and orders satisfactorily and to organize production and manufacture for meeting such contracts and sub-contracts and orders adequately and according to specification, and to ensure satisfactory production by all necessary instruction, assistance, inspection and supervision;
 - (8) to effect co-ordination between large enterprise and micro, small, medium and service enterprises by suitable methods, similar to those aforesaid, enabling micro, small, medium and service enterprises to manufacture satisfactorily such parts, accessories, ancillaries, and components and other articles as may be required by large industries;
 - (9) to promote and operate schemes for development of micro, small, medium and service enterprises in the country and for that purpose to prepare and get prepared reports, blue prints statistics and other information;
 - (10) to promote and establish such Companies, Associations, Advisory Boards and other suitable bodies as may be deemed necessary in order to carry out the aforesaid objects effectively;
 - (11) to procure capital or financial assistance or accommodation for, or provide machinery, equipment, technical and managerial assistance, information, instruction, inspection, supervision and other facilities to any company, person or association for the purpose of carrying into effect any of the aforesaid object;
 - (12) to apply for, tender, purchase or otherwise acquire contracts and concessions or in relation to the construction, execution, carrying out equipment, improvement, management, administration or control of works and conveniences and to undertake, execute, carry out, dispose of or otherwise turn to account the same;
 - (13) to carry on the business of dealers in hardware and tools of all kinds, engineering articles, ferrous and non-ferrous metal ware, cutlery, builders' hardware, small hand tools, wires, nails, spikes, locks, keys, knives, scissors, spoons, containers, cycle and cycle parts, electrical appliances, brassware, glassware, bricks, tiles and ceramic articles, plastics, furniture, carpentary goods leather and leather goods, cardboard and cardboard goods, pasteboard and plywood articles, sports goods, surveying and drawing and mathematical instruments, surgical and scientific instruments, miscellaneous chemical goods disinfectants, polishes, brushes, brooms, bamboo goods, cane goods, fibre goods, carpets, mats, thattis, ropes, tapes, twine, wicks glue, coir and coir products, nets, tents, poles, ladders, tarpaulins, umbrellas, and goods and articles of all kinds and descriptions for personal, domestic office and community use, and consumption, the foregoing list in this clause being only illustrative and not exhaustive;
 - (14) to manufacture, buy, sell, import, export, install, work and generally deal in any plant, machinery, substances, tools, materials, goods or things of any description which, in the opinion of the Company, may be conveniently dealt with by the Company in connection with any of its objects;

- (15) to invest the capital of the Company in, or to deal with shares, stocks, bonds, debentures, obligations and other securities of any company or association formed for establishing, executing or working of any industrial undertaking approved by the Company;
- (16) to act as Managers or to direct the management, control and supervision of any company, association or concern by nominating directors, controllers, supervisors, advisers or otherwise, or to collaborate with any company or association or concern formed for carrying on any manufacture or business within the objects of the company;
- (17) to enter into any partnership or arrangement for joint working in business, sharing of profits, pooling of any industrial undertaking, joint adventure or reciprocal concession or amalgamation, with any other company, firm or persons, carrying on or engaged in any manufacture business within the objects of this Company or similar thereto;
- (18) to establish, promote, subsidise and otherwise assist, any company or companies, syndicate or other concern for the purpose of setting up any industry or running any industrial undertaking, acquiring any property or furthering any of the objects of this Company;
- (19) to sell, dispose of, let on lease or on hire or transfer the business, property and undertakings of the Company, or any part thereof, for cash, stock or shares of any other company or for any other consideration which the Company may see fit to accept;
- (20) to obtain any provisional order or Act of Parliament for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient and to oppose by lawful means any proceedings or applications which may seem calculated, directly or indirectly, to prejudice the Company's interest;
- (21) to procure the Company to be registered or recognised in any foreign country or place;
- (22) to sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with, all or any part of the property and rights of the Company;
- (23) to accept stock or shares in, or the debentures, mortgage, debentures, or other securities of any other company in payment or part payment for any services rendered or for any sale made to or debt owing from any such company;
- (24) to carry on any other trade or business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights;
- (25) to acquire and undertake the whole or any part of the business, property, and liabilities of any person or company carrying on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of this Company;
- (26) to pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company, or which the Company shall consider to be in the nature of preliminary expenses, including therein the cost of advertising, commissions for underwriting, brokerage, printing and stationery and expenses attendant upon the information of agencies;

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- (27) upon any issue of shares, debentures or other securities of the Company, to employ brokers, commission agents and underwriters, and to provide for the remuneration of such persons for their services by payment in cash or by the issue of shares, debentures or other securities of the Company, or by the granting of options to take the same, or in any other manner allowed by law;
 - (28) generally to purchase, take on lease or in exchange, hire or otherwise acquire, any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business and in particulars any land, buildings, easements, machinery, plant and stock-in-trade;
 - (29) to construct, maintain, and alter any buildings, or works, necessary or convenient for the purposes of the Company;
 - (30) to apply for and take out, purchase or otherwise acquire any trade mark, patents, patent rights, inventions, copyright, designs or secret processes, which may be useful for the Company's objects and to grant licences to use the same and to work, develop, carry out, exercise and turn to account the same;
 - (31) to enter into any arrangements with the Government of India or any other Government or State or Local Authority or any person for the purposes of carrying out the objects of the Company or furthering interests and to obtain from such Government or Authority or person any charters, subsidies, loans, indemnities, grants, contracts, licences, rights, concessions, privileges, or immunities which the Company may think it desirable to obtain and exercise and comply with any such arrangements, rights, privileges and concessions;
 - (32) to issue, or guarantee the issue of, or the payment of interest on the shares, debentures, debenture stock, or other securities, or obligations of any company or association, and to pay or provide for brokerage, commission, and underwriting in respect of any such issue;
 - (33) to make, draw, accept, endorse, discount, execute, issue and negotiate, cheques, bills of exchange, promissory notes, debentures and other negotiable or transferable instruments;
 - (34) to borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock perpetual or otherwise changed upon all or any of the Company's property (both present and the future), including its uncalled capital, and to purchase, redeem, or pay off any such securities;
 - (35) to receive grants, loans, advances or other moneys on deposit, or otherwise, from the Central Government or State Government, Banks, Companies, Trusts, or individuals with or without allowance of interest thereon;
 - (36) to lend money to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to guarantee the performance of contracts by any such persons or companies;
 - (37) to invest and deal with the moneys of the Company not immediately required in such manner, other than in the shares of this Company, as may from time to time be determined;
 - (38) to acquire by subscription, purchase or otherwise, and to accept and take, hold and sell, shares or stock in any company, society or undertaking, the objects of which shall either in whole or in part, be similar to those of this Company, or such as may be likely, directly or indirectly, to promote or advance the interests of this Company;

- (39) to establish, maintain, subscribe to or subsidise or become member of training institutions, research laboratories, research institutions and experimental workshops of scientific and technical research and experiments;
- (40) to provide for the welfare of persons in the employment of the Company, and the wives, widows and families of such persons, by establishing Provident or other Funds, grants of money, pensions or other payments and by providing or subscribing towards places of instructions and recreation, and hospitals, dispensaries, medical and other attendance and other assistance, as the Company shall think fit and to subscribe money to or for and otherwise help any charitable or benevolent object or any exhibition or any public show or useful object;
- (41) to distribute in specie or otherwise as may be resolved any assets of the Company among its members, and particularly the shares, debentures or other securities of any other Company formed to take over the whole or any part of the assets or liabilities of this Company;
- (42) to establish agencies in India and elsewhere and to regulate and discontinue the same;
- (43) to do all or any of the matters hereby authorised (in any part of the world) either alone or in conjunction with, or as factors, trustees or agents : for any other companies or persons, or by or through any factors, trustees/or agents;
- (44) to undertake and execute any trusts the undertaking where of may seem desirable and either gratuitously or otherwise; and
- (45) generally to do all such other matters and things as may appear to be incidental or conducive to the attainment of the above objects or any of them or consequential upon the exercise of its powers or discharge of its duties.

Explanation

** The expression "Small Industry" shall mean a "Small Scale Industry" as may be defined by the Central Government from time to time, in terms of the Industries (Development & Regulation) Act, 1951 unless otherwise approved by the Board of Directors and Shareholders.

IV The liability of the members is limited

V *The Capital of the Company is Rs. 235,00,00,000 (Rs. Two Hundred thirty five crore) divided into 235,00,000 of Rs. 100/- each.

* Raised by a Special Resolution passed at Annual General Meeting of the shareholders held on 29th September, 2006.

Raised by a Special Resolution passed at Extraordinary General Meeting of the Shareholders held on 25th July, 2005.

Raised by a Special Resolution passed at Extraordinary General Meeting of the Shareholders held on 11th June, 2004.

Raised by a Special Resolution passed at Extraordinary General Meeting of the Shareholders held on 11th August, 2003.

Raised by a Special Resolution passed at Annual General Meeting of the Shareholders held on 28th September, 1998.

** As amended by Special Resolution passed at Annual General Meeting of the Shareholders held on 24th September, 1999.

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

Name, addresses and description of subscribers	No. of shares taken by each subscriber	Witnesses
1. President of India Signed by Sd/- H.V.R. Iengar Secretary, Ministry of Commerce and Industry, New Delhi, for and on behalf of the President of India	1968	Sd/- B. N. Mathur Private Secretary to Secretary, Ministry of Commerce & Industry
2. Sd/- P. Govindan Nair Joint Secretary Ministry of Commerce and Industry, New Delhi,	1	- do -
3. Sd/- Jang Bir Singh Development Commissioner for Small Scale Industries, New Delhi	1	Sd/- M. Viraraghavan Section Officer Ministry of Commerce & Industry

ARTICLES OF ASSOCIATION
OF
The National Small Industries Corporation Limited

ARTICLES OF ASSOCIATION
OF
THE NATIONAL SMALL INDUSTRIES CORPORATION
LIMITED

PRELIMINARY

1. In these Articles, unless there be something in the subject matter or context inconsistent therewith-
 - (a) 'The company' means the above named Company.
 - (b) The 'Act' means the Indian Companies Act (VII) of 1913 and the statutory modifications thereof upto date or any other Act or Acts in force concerning joint stock companies and effecting the Company.
 - (c) 'The President' means the President of India.
 - (d) 'Month' means a calender month.
 - (e) 'The Directors' means the Directors for the time being of the Company.
 - (f) 'Chairman' means the Chairman of the Board of Directors for the time being of the Company.
 - (g) 'The office' means the Registered Office for the time being of the Company.
 - (h) 'Bye-Laws' means the Bye-Laws which may be made by the Directors of the Company under these Articles and which may for the time being be in force.
2. The Regulations contained in Table 'A' in the first Schedule to the Act shall not apply to the Company except so far as the same are repeated, contained or expressly made applicable by these Articles or by the Act.
3. The Company is a private Company and accordingly:
 - (a) The right to transfer shares of the Company is restricted as hereinafter provided.
 - (b) The number of members for the time being of the Company (exclusive of persons who are in the employment of the Company) shall not exceed fifty provided that where two or more persons hold one or more shares in the Company jointly they shall, for the purposes of this paragraph, be treated as single member.
 - (c) Any invitation to the public to subscribe for any shares or debentures or debenture stock of the Company is hereby prohibited.

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4. * The Capital of the Company is Rs. 235,00,00,000 (Rs. Two hundred thirty five crore) divided into 235,00,000 shares of Rs. 100/- each.
 5. Subject to the provisions, if any, in that behalf of the Memorandum of Association of the Company and, without prejudice to any special rights previously conferred on the holders of existing shares in the Company, any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the Company may, from time to time, by special resolution determine and any preference share may with the sanction of a special resolution be issued on the terms that it is or at the option of the Company is liable to be redeemed.
 6. If at any time the share capital is divided into different classes of shares, the right attached to any class (unless otherwise provided by the terms of issue of the share of that class) may, subject to the provisions of the Act and whether or not the Company is wound up, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class, or with the sanction of special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in questions.
 7. Subject to the directions of the President in that behalf and subject to the provisions hereinafter contained, the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit and with full power to give to any person the call of any share whether at par or at a premium or (subject to the provisions of the Act) at a discount and for such time and for such consideration as the Directors think fit.
 8. Every person whose name is entered as a member in the Register of members shall without payment, be entitled to a certificate under the common seal of the Company specifying the share or shares held by him and the amount paid up thereon : Provided that in respect of a 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. A certificate for a share shall be signed by at least one Director.
 9. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding fifty naye paise and on such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Directors think fit.
 10. Except to the extent allowed by the Act no part of the funds of the Company shall be employed in the purchase of, or in loans upon the security of the Company's shares.

* Raised by a Special Resolution passed at Annual General Meeting of the shareholders held on 29th September, 2006.

Raised by a Special Resolution passed at Extraordinary General Meeting of the Shareholders held on 25th July, 2005.

Raised by a Special Resolution passed at Extraordinary General Meeting of the Shareholders held on 11th June, 2004.

Raised by a Special Resolution passed at Extraordinary General Meeting of the Shareholders held on 11th August, 2003.

Raised by a Special Resolution passed at Annual General Meeting of the Shareholders held on 28th September, 1998.

LIEN

11. The Company shall have a lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares (other than fully-paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the Company; but the Directors may declare any share to be wholly or in part exempt from the "provisions of this clause". The Company lien, if any, on a share shall extend to all dividends payable thereon.
12. The Company may sell in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale be made unless some sum in respect of which the lien exists is presently payable nor 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 by reason of his death or insolvency to the share.
13. The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale, the purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be effected by any irregularity or invalidity in the proceedings in reference to the sale.

CALLS ON SHARES

14. The Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment there of made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may made payable by installments.
15. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. 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 upon the sum at the rate of five percent per annum or at such lower rate, if any, as the Directors may determine from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
17. The provisions of these regulations as to payment of interest 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 amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
18. The Directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
19. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid, upon any shares held by him, and upon all or any of the moneys so advance may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the Company in general meeting, six per cent per annum) as may be agreed upon between the member paying the sum in advance and the Directors.

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FORFEITURE OF SHARES

20. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
21. The notice shall name a further day (not earlier than the expiration 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 shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.
22. 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 Directors to that effect.
23. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
24. 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 money which, at the date of forfeiture were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company received payment in full of the nominal amount of the shares.
25. 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, and that declaration and the receipt of the Company for the consideration, if any, given for the share on the sale or disposition thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the shares and 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 the irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
26. 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 amount of the share or by way of premium as if the same had been payable by virtue of call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

27. The instrument of transfer of any share in the Company shall be executed both by the transferor, and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the Register of members in respect thereof.
28. Shares of the Company shall be transferred in the following form, or in any usual or common form which the Directors shall approve;
I, of in consideration of the sum of rupees paid to me by (hereinafter called 'the said transferee') do hereby transfer to the said transferee the share (or shares) numbered to inclusive in the undertaking called the National Small Industries Corporation Ltd, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same

at the time of the execution thereof, and I the said transferee, do hereby agree to take the said share (or shares), subjects to the conditions aforesaid.

As witness our hands this.....day of witness of the signatures of, etc.

29. The right of members to transfer their shares shall restricted as follows :
 - (a) A Share may be transferred by a member or other person entitled to transfer only to a person or persons approved by or on behalf of the President and to no other person.
 - (b) Subject as aforesaid the Directors may decline to register any proposed transfer of shares.
30. The Director may suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year
 The Director may decline to recognise any instrument of transfer unless :
 - (a) A fee not exceeding Rs. 2/- is paid to the Company in respect thereof; and
 - (b) The instrument of transfer is accompanied by the Certificate of the share to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. If the Directors refuse to register a transfer of any shares, they shall within two months, after the date on which the transfer was lodged with the Company send to the transferee and the transferor notice of the refusal.
31. So far as concerns any share held by any person as a nominee of the President, on the President requiring him to transfer any such share to the President or to any other person or persons nominated by the President, or any such person becoming of unsound mind or becoming or being adjudicated an insolvent, or dying, or on such person being a company, being wound up voluntarily or by the Court, or subject to the supervision of the Court, the following provisions shall take effect, namely:
 - (a) The President may at any time serve the Company with a requisition to enforce the transfer of any such share.
 - (b) The company shall thereupon forthwith give to the holder of such share, or where the holder has become of unsound mind, to his committee or other guardian, or where the holder has become or been adjudicated an insolvent to the assignee of his estates, and effects or where the holder is dead, to his heirs or legal representatives, or where the holder, being a company, has been wound up as aforesaid to its liquidator, notice in writing of the requisition and unless within 14 days afterwards, the holder, or as the case may be, the committee or guardian or assignee or heirs or legal representatives of such holder, shall execute in favour of the President or of any person or persons nominated by the President, a proper transfer form in respect of such share and hand over the same along with the relative certificate in respect of such share to the President or any other person or persons nominated by him, the President or such other person as may be nominated by him in that behalf may at any time thereafter execute a transfer in respect of such share for and on behalf of such holder or of his estate, and that same shall be deemed to have been duly and properly executed for and on behalf of such holder or of his estate, and thereupon the holder or his estate cease to have any interest whatsoever in such share and the certificate of such share, if not handed over as aforesaid, shall thereupon stand cancelled and be and become void and of no effect, and company, shall be entitled thereafter to issue a new certificate in lieu thereof in favour of the President or of such person or persons as he may nominate.
32. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall upon such evidence being produced as may from time to time be required by the Directors, have the right, either to be registered as a member in respect of the share, or, instead of being

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registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case, of a transfer of the share by the deceased or insolvent person before the death or insolvency.

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.

ALTERATION OF CAPITAL

34. The Directors may, with the sanction of the Company in general meeting increase the share capital by such sum, to be divided into shares of such amount as the resolution shall prescribe.
35. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time being not less than ten days from the date of the offer within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made 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. The Directors may likewise so dispose of any new shares which by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares cannot, in the opinion of the Directors, be conveniently offered under this article.
36. The new shares shall be subject to the same provisions with reference to the payment calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.
37. The Company may, by ordinary resolution:-
- (a) consolidate and divide all or any of its share into shares of larger amount than its existing shares:-
 - (b) by sub-division of its existing shares of any of them, divide the whole or any part of its share capital into shares of smaller amount, then is fixed by the Memorandum of Association, subject, nevertheless, to the provisions of the Act;
 - (c) cancel any shares which, at the date of passing of the resolution have not been taken or agreed to be taken by any person.
38. The Company may, by special resolution, reduce its share capital in any manner and with, and subject to, any incident authorised and consent required by law.

BORROWING POWERS

39. The Directors may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company.
40. The Directors may raise or 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 debentures or debentures stock of the Company charged upon or any part of the property of the Company, both present and future, including its uncalled capital for the time being.

41. The debentures, debenture stock, and other securities may be made assignable free from equities between the Company and the persons to whom the same may be issued.
42. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender drawings, allotment of shares, attending, voting at general meeting of the Company, appointment of Directors and otherwise.

GENERAL MEETINGS

43. A general meeting shall be held within eighteen months from the date of its incorporation and thereafter once at least in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and places as may be prescribed by the Company in general meeting or, in default, at such time in the month following that in which the anniversary of the Company's incorporation occurs, and at such place as the Directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by one member in the same manner as nearly as possible as that in which meetings are to be called by the Directors.
44. The above mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary general meetings.
45. The Directors may, whenever they think fit, and shall, when required by the President, call an extraordinary general meeting and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by the Act. If at any time they are not within India sufficient Directors capable of acting to form quorum, any Director or any one member of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the Directors.

PROCEEDINGS AT GENERAL MEETING

46. Subject to the provisions of the Act relating to special resolution, fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under the Act or the regulations of the Company, entitled to receive such notice from the Company, but the accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any general meeting. With the consent in writing of all the members a meeting may be convened by a shorter notice than as aforesaid and in any manner they think fit.
47. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at any ordinary meeting with the exception of sanctioning a dividend the consideration of the accounts, balance-sheets and the ordinary report of the Directors and Auditors, and fixing of the remuneration of the Auditors.
48. 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; save as herein otherwise provided, two members present in person or by proxy shall be a quorum.

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49. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition on of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other time and place as the Directors may determine, and, if at adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
 50. The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company.
 51. If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Vice-Chairman, if any, shall preside at the meeting. If there is no Vice-Chairman or, if at any meeting he is not present within the time, as aforesaid, or is unwilling to act as Chairman, then the members present shall choose some one of their members to be Chairman of the meeting.
 52. The Chairman 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, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for one month or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of the business to be transacted at an adjournment meeting.
 53. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hand), demanded in accordance with the provisions of the Act, and unless a poll is so demanded, a declaration by the Chairman that a resolution has on show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the books of the proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
 54. If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
 55. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
 56. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.

VOTE OF MEMBER

57. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote. On a poll every member shall have one vote in respect of each share held by him. Provided however, that so far as the President is concerned, a vote may be given on his behalf on a show of hands or on a poll by any person, whether a member or not, authorised by him to be present and vote at all or any of the meetings of the Company. The President may at any time revoke or cancel the authority of any person to vote on his behalf as aforesaid and make fresh authorisations. An order of the

- President authenticated as provided by the Constitution of India in respect of any such authorisation or revocation thereof as aforesaid shall be sufficient and conclusive evidence thereof.
58. Any person authorised by the President to vote on his behalf as aforesaid may, if so authorised by any order of the President as aforesaid, appoint another person (whether a member or not) as a proxy or substituted authority, whether special or general to vote on behalf of the President, as aforesaid, and such proxy or substituted authority shall be entitled also to vote on a show of hands or on a poll.
59. 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 and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
60. A member of unsound mind, or in respect of whom an order has been made by having any Court 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.
61. 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.
62. On a poll votes may be given either personally or by proxy; provided that no Company shall vote by proxy as long as a resolution of its directors authorising any person to act as its representative at any meeting of the Company passed in accordance with the provisions of the Act, is in force.
63. Subject as aforesaid, the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a Corporation either under the common seal, or under the hand of an officer or attorney so authorised, and no person shall act as a proxy unless he is a member of the Company.
64. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than seventy-two hours before the time of holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
65. An Instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve :-

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

"I of
in the district of being a member of the National Small Industries Corporation Ltd, hereby appoint of in the district of or failing him of in the district of as my proxy to vote for me and on my behalf at the Ordinary or Extraordinary, as the case may be, general meeting of the Company to be held on the day of and at any adjournment thereof.

Signed this day of"

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DIRECTORS

9.

66. * Until otherwise determined by the President, the number of Directors shall not be less than four nor more than fifteen. The Chairman and the Government Directors shall be appointed by the President. All other Directors shall be appointed by the President in consultation with the Chairman. The President may remove any Director from the office from time to time and in the event of such removal or in the event of any vacancy in the office of the Directors caused by resignation, death or otherwise, the President may accordingly appoint another in the vacancy. Shri Jang Bir Singh one of the subscribers to the Memorandum and Articles of Association of the Company shall be the first Director of the Company,

NOMINEE DIRECTORS

*** Notwithstanding anything to the contrary contained in the existing Articles of Association, so long as any monies remain owing by the Corporation to the Industrial Development Bank of India (IDBI), out of any assistance granted by the IDBI to the Corporation, the IDBI shall have a right to nominate from time to time, any person (s) as a Director (s) or in his absence, an Observer (s) on the Board of the Corporation and to remove from such office any person so nominated and in the event of such removal and also in case of death or resignation of the Nominee Director to nominate any person in his place in accordance with the agreement entered into between the Corporation and the IDBI.

The Nominee Director (s) or Observer (s) shall not be liable to retire at every 3rd Annual General Meeting of the Corporation as provided for in Article 68 (A) of the Articles of Association and shall also be entitled to attend all general meetings, board meetings and meeting of the committees to which he is a member and he and IDBI shall also be entitled to receive notices of all such meetings. The Nominee Director shall be paid normal fees and expenses to which other Directors are entitled; provided that if the Nominee Director is an officer of the IDBI, unless IDBI otherwise directs, no sitting fees shall be payable to him but Corporation shall reimburse IDBI the amounts paid or payable under its rules to such Director on account of travelling and halting allowance and any other expenses for attending any general meeting or any meeting of the Board or Committee,

The Corporation shall provide all facilities to IDBI to inspect from time to time through its officials or other agents the books, accounts, records, papers, documents and other material at the registered office of the Corporation and shall also furnish all such information and particulars as may be required by IDBI and its officials and agents.

67. The remuneration of the Directors shall from time to time be determined by the President. Such reasonable additional remuneration as may be fixed by the President may be paid to any one or more of the Directors for extra or special services rendered by him or them otherwise.
68. The Directors not be required to hold any qualification shares.
68. ** (A) - At every third Annual General Meeting of the Company, every Director appointed by the President, excepting the Chairman and Managing Director, shall retire from office. The Chairman and the Managing Director shall, however, retire on their ceasing to hold the respective offices. The Part-time Non-Official Directors shall have a tenure of three years at a time. The retiring Director, shall be eligible for reappointment.

66* As amended by Special Resolution passed at the Extraordinary General Meeting of the Shareholders held on 29th May, 1998.

68** As amended by a Special Resolution Passed at the Annual General Meeting of the Shareholders held on 30th September, 1986.

POWERS AND DUTIES OF DIRECTORS

69. The Business of the Company shall be managed by the Directors, who may pay all expenses incurred in getting up and registering the Company, and may exercise all such powers of the Company as are not, by the Act, or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in general meeting, subject nevertheless to any regulation of these Articles, to the provision of the said Act, and so such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
- 69-A,* Subject to the provisions regarding the appointment of Chairman/Director by the President as regulated by these Articles, the power for creation of all other posts below the Board level irrespective of pay shall vest the Board of Directors. As regards appointments however, President's approval shall be taken for appointments in the categories of posts carrying scale of pay of Rs. 2500-3000 and above of persons who have already attained the age of 58 years, whether they be from Public or Private Sector.
70. The Directors may, as and when they think fit, make any bye-laws not inconsistent with the objects of the Company as set out in the Memorandum of Association nor with these Articles for conduct and regulation of the business of the Company and its Directors and its officers and servants, and may in like manner, vary and repeal any such bye-laws.
71. The President may from time to time appoint one or more of the Directors to the office of Managing Director or Managing Directors or Manager or Managers of the Company for such term and such remuneration (whether by way of salary or commission or participation in profits or otherwise or partly in one way and partly in another) as he may think fit, and may from time to time remove or dismiss him or them from office and appoint another or others in his or their places or places. Any such Director appointed to any such office shall if he ceases to hold the office of Director from any cause *ipso facto* and immediately cease to be a Managing Director or Manager, as the case may be.
72. ** The Directors may, from time to time, by means of resolutions passed at their meetings, entrust to and confer on the Chairman, Managing Director ** such of the powers exercisable by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon terms and conditions and with such restrictions as they may think expedient. The Chairman and/or Managing Director may sub-delegate any of the powers delegated to him by the Board to any officer or other employees of the Company, subject to the condition that every such sub-delegation is reported to the Board.
73. The Directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keeping a register of the Directors, and to sending to the registrar an annual list of members,

69* Added by a special Resolution at an Extraordinary General Meeting of the Shareholders held on 2nd July, 1970.

72** Added by a Special Resolution passed at the Extraordinary General Meeting of the Shareholders of the Corporation held on 7th March, 1973 and amended by Special Resolution passed at the AGM held on 30th September, 1974.

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and a summary of particulars relating thereto and notice of and consolidation or increase of share capital or conversion of shares into stock, and copies of special resolutions and a copy of the register of Directors and notifications of any changes therein.

74. The Directors shall cause minutes to be made in books provided for the purpose :-
- (a) of all appointments of officers made by Directors;
 - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings at all meetings of the Company, and, of the Directors; and of the committees of Directors; and every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.

THE SEAL

75. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors, and in the presence of at least one Director or of such other person as the President or Directors may appoint for the purpose; and any such Director or other authorised person as aforesaid shall sign every instrument to which the seal of Company is so affixed in his presence.

DISQUALIFICATION OF DIRECTORS

76. The office of a Director shall be vacated if :
- (a) he fails to obtain within the time specified in the Act, or at any time thereafter ceases to hold, the share qualification, if any, necessary for his appointment.
 - (b) he is found to be of unsound mind by a Court of Competent jurisdiction; or
 - (c) he is adjudged insolvent; or
 - (d) he or any firm in which he is partner or any private Company of which he is a director fails to pay calls made on him in respect of shares held by him, the firm, or the private company as the case may be, within six months from the date of such calls being made; or
 - (e) he, or any firm in which he is a partner, or any private company of which he is a director without the sanction of the Company in general meetings accepts or holds any office of profit under the Company other than that of a Managing Director or Manager or a legal or technical advisor or a banker; or
 - (f) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer without leave of absence from the Board of Directors ; or
 - (g) he accepts a loan or any guarantee or security for a loan from the Company ; or
 - (h) he is concerned or participates in the profit of any contract with the Company ; or
 - (i) he is punished with imprisonment for a term exceeding six months.

Provided, however, that no Director shall vacate his office by reason of his being a member of any Company which has entered into contract with, or done any work for, the Company of which he is Director but a Director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

PROCEEDING OF DIRECTORS

77. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of Directors.
78. * Save as otherwise expressly provided in the Act a resolution in writing signed by all the Directors or all the members of a committee of Directors for the time being in India shall be as valid and effectual as if it had been passed at a meeting of the Directors or committee of Directors duly called and constituted.
79. * The quorum necessary for the transaction of the business of the Directors shall be one-third of total strength (any fraction contained in that being rounded off as one), or two Directors, whichever is higher as provided in Section 287 of the Act.
80. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of summoning a general meeting of the Company, but for no other purpose.
81. The President may from to time appoint a Chairman any Vice-Chairman of the Board of Directors and determine the period for which either of them is to hold his respective office. If and whilst no such Chairman is appointed or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same, the Vice-Chairman shall preside at any such meeting, and if and whilst no Vice-chairman is also appointed or if at any meeting the Vice-Chairman be also not present within ten minutes after the time appointed for holding the same, the Directors present may choose one of their number to be the Chairman of the meeting.
82. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the Directions.
83. A committee may elect a Chairman of its meeting; if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.
84. A committee may meet and adjourn as it may think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes, the Chairman shall have a second or casting vote.
85. All acts done by any meeting of the Directors or of a Committee of Directors, 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 such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if such Director or such person had been duly appointed and was qualified to be Director.

78 & 79* As amended by a Special Resolution Passed at Extraordinary General Meeting of the Share holders held on 22nd April, 1965.

86. The Chairman may, at his discretion, reserve for the decision of the President any matter, which in his opinion should be so reserved and no action shall be taken by the Company in respect of such decisions until the approval of the President to the same has been obtained.
87. * Notwithstanding anything contained in any of these Articles, the President may, from time to time, issue such directives or instructions as may be considered necessary in regard to the finances, conduct of business and affairs of the Company. The Company shall give immediate effect to the directives or instructions so issued. In particulars the President will have the powers :-
- (i) to give directions to the enterprise as to the exercise and performance of its functions in matters involving national security or substantial public interest and the Company shall duly comply with such directives.
 - (ii) to call for such returns, accounts and other information with respect to the property and activities of the enterprise as may be required from time to time.
 - (iii) to authorise the amount of capital to be raised and the terms and conditions on which it may be raised.
 - (iv) to approve the enterprise's five year and annual plans of development and the enterprise's capital budget.
 - (v) to approve the Company's revenue budget in case there is an element of deficit which is proposed to be met by obtaining funds from the Government and.
 - (vi) ** to approve agreements involving foreign collaboration proposed to be entered into by the Company.

"Provided that all directives issued by the President shall be in writing, addressed to the Chairman. The Board shall, except where the President considers that the interest of the national security requires otherwise, incorporate the contents of directives issued by the President in the annual report of the Company and also indicate its impact on the financial position of the Company."

DIVIDENDS AND RESERVE

88. The Company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the Directors.
89. The Directors may from time to time pay to the member such interim dividends as appear to the Directors to be justified by the profits of the Company.
90. No dividends shall be paid otherwise than out of profit of the year or any other undistributed profits.
91. Subject to the rights of person if any entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amount paid or credited as paid on the shares, 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. No amount paid or credited as paid on a share in advance of call shall, while carrying interest, be treated for the purpose of this Article as paid on the shares.
92. The Directors may, before recommending any dividends, set aside out of the profits of the Company such sums as they think proper as a reserve's or reserve's which shall, at the discretion of the

87* As amended by a Special Resolution Passed at Extra ordinary Meeting of the Share holders held on 2nd July, 1970.

** Added by Special Resolution Passed at Annual General Meeting of the Shareholders held on 30th September, 1988.

Director, be applicable to meeting contingencies, or for equalising dividends, or for any other purpose to which the profits of the Company may be properly applied, 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 Directors may from time to time think fit.

93. If several persons are registered as joint holders of any shares, any one of them may give effectual receipts for any dividends payable on the share.
94. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.
95. No dividend shall bear interest against the Company.

ACCOUNTS

96. The Directors shall cause to be kept proper books of account with respect to :
 - (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place ;
 - (b) all sales and purchases of goods by the Company ;
 - (c) the assets and liabilities of the Company.
97. The books of account shall be kept at the registered office of the Company or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.
98. The Directors 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, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or, authorised by the Director or by the Company in general meeting.
99. The Directors shall as required by the Act, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, income and expenditure accounts, balance sheets, and reports as are referred to in the Act.
100. The profit and loss account shall, in addition to the matters referred to in the Act, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.
101. A balance-sheet be made out in every year and laid before the Company in general meeting made up to a date not more than nine months before such meeting. The balance-sheet shall be accompanied by a report of the Directors as to the state of the Company's affairs, and the amount which they recommend to be paid by way of dividend and the amount (if any) which they propose to carry to a reserve fund.

AUDIT

102. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act, or any statutory modifications thereof for the time being in force.
103. In addition to the audit to be carried out in accordance with the Act, the Comptroller and Auditor-General of India shall have the right to arrange for external audit by an Authority appointed by him. The authority so appointed by the Comptroller and Auditor General of India and all the members of the staff working under that authority shall, at all reasonable time; have access to all accounts, account books, vouchers, documents and other papers of the Company and all reports of the Auditors appointed under the Act. The authority will submit its report to the Comptroller and Auditor-General of India, for such action as he may deem fit.

NOTICES

- 104.(1) A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.
- (2) Where a notice is sent by post, service of the notice shall be deemed to be affected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.
105. If a member has no registered address in India, and has not supplied to the Company an address within India for the giving of notices to him a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly given to him of the day on which the advertisement appears.
106. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.
107. A notice may be given by the Company to the person entitled to a share in consequences of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address, (if any) in India supplied for the purpose by the persons claiming to be so entitled. or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
108. Notice of every general meeting shall be given in some manner herein before authorised to (a) every member of the Company (including bearers of share-warrants) except those members who having no registered address within India have not supplied to the Company an address within India for the giving of notice to them, and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting.

INDEMNITY

109. Subject to the provisions of the Act, every Director, Manager, and other officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, damages, and expenses which any such

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officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by or him as such Director, Manager or other officer or servant or in any way in the discharge of his duties including travelling expenses, and in particular and so as not to limit generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager or other officer or servant in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under the act in which relief is granted by Court.

110. Subject to the provision of the Act, no Director, Manager 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 or expense happening to the Company through the insufficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any money, securities or effect shall be deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own negligence, default, breach of duty or breach of trust.

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Name, addresses and description of subscribers	No. of shares taken by each subscriber	Witnesses
<p>1. President of India Signed by</p> <p>Sd/- H.V.R. Iengar Secretary, Ministry of Commerce and Industry, New Delhi, for and on behalf of the President of India</p>	1968	<p>Sd/- B. N. Mathur Private Secretary to Secretary, Ministry of Commerce & Industry.</p>
<p>2. Sd/- P. Govindan Nair Joint Secretary Ministry of Commerce and Industry, New Delhi,</p>	1	- do -
<p>3. Sd/- Jang Bir Singh Development Commissioner for Small Scale Industries, New Delhi</p>	1	<p>Sd/- M. Viraraghavan Section Officer Ministry of Commerce & Industry.</p>