



**Memorandum of Association**

**&**

**Articles of Association**

**OF**

**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED**

**JAIPUR**

# **CERTIFICATE OF INCORPORATION**

(Section 23 Indian Companies Act, 1913)

Certified that 'The Bikaner Industrial Corporation Limited Bikaner' has been incorporated this twentieth day of January, one thousand nine hundred and forty five, under the Indian Companies Act, 1913, as made applicable to Bikaner State.

The Company is Public Company Limited by shares.

Given at Bikaner under my hand and seal this twentieth day of January, one thousand nine hundred and forty five.



Sd.  
**T.C. RAMA IYER,**  
Registrar, Joint Stock Companies,  
Bikaner State, Bikaner

7858  
22-1-57

## **CERTIFICATE OF CHANGE OF NAME**

In the OFFICE of the REGISTRAR OF COMPANIES UNDER  
THE COMPANIES ACT, 1956  
IN THE MATTER OF BIKANER INDUSTRIAL CORPORATION  
LIMITED JAIPUR.

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. 28 (104)-CL-IV/56 dated the 14th January, 1957

to the address of :      The Director in charge  
                                 The Bikaner Industrial Corporation  
                                 Limited, Jaipur.

the name of THE BIKANER INDUSTRIAL CORPORATION LIMITED has this day been changed to THE GANGANAGAR SUGAR MILLS LIMITED.

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

Dated this TWENTYFIRST day of JANUARY One Thousand Nine Hundred and Fiftyseven.



Sd.  
(A. R. KHARE)  
21-1-1957  
Registrar of Companies  
Rajasthan, Jaipur

**FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME**

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, RAJASTHAN,  
JAIPUR

(Under the Companies Act, 1956 (1 of 1956))

**IN THE MATTER OF THE GANGANAGAR SUGAR MILLS  
LIMITED**

I hereby certify that THE GANGANAGAR SUGAR MILLS LIMITED which was originally incorporated on 20th JANUARY, 1945 in the name of the Bikaner Industrial Corporation Limited and it was changed to The Ganganagar Sugar Mills Limited w.e.f. 21st January, 1957 under the Indian Companies Act, 1913 having duly passed the necessary resolution in terms of section 21 of Companies Act, 1956 and the Approval of the Central Government signified in writing having been accorded there to in the Ministry of Industry Law, Justice & Company Affairs, Department of Company Affairs, Office of the Registrar of Companies, Rajasthan, Jaipur vide his Letter No. R.O.C./Approval/21/1385 dated 10/3/93, the name of said company is this day changed to RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED and this Certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at JAIPUR this fourteenth day of MAY, One thousand nine hundred and Ninety Three.



Sd.  
(D.K. GUPTA)  
REGISTRAR OF COMPANIES,  
RAJASTHAN, JAIPUR

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**RAJASTHAN STATE GANGANAGAR SUGAR MILLS**  
**LIMITED**

1. Name of the Company is 'RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED'.

Name of the Company.

2. The registered office of the Company will be situated in the Rajasthan State.

Registered Office.

3. The objects for which this Company is established are:-

Objects.

(1) To manufacture, produce, refine, prepare, import, purchase, sell and generally to deal in sugar, sugar-beets, sugar-cane, molasses, syrups, jaggery, melada and alcohol of every kind and description and all products or by-products thereof and food products generally and in connection there with to acquire construct and operate sugar or other refineries, buildings, mills, factories, distilleries and other works in the Bikaner State and/or elsewhere.

(2) To plant, cultivate, produce and raise sugar-cane, malze, sugar-beets and other crops whatsoever and to transact such other work or business as may be proper or necessary in connection with the above objects or any of them.

(3) To carry on business as brewers, distillers and manufacturers of and merchants and dealers in beer, ale, porter, stout wines, spirits, aerated waters and liquors of every description, whether intoxicating or not, and of cask, bottles, and other receptacles for the same, and of malt, hops, grain, meal, yeast, and all other materials and things capable of being used in connection with any such business or manufactures.

(4) To carry on business as perfumers and manufacturers of oil, soap and lubricating oils, hard oils and to buy, sell, manufacture, refine, prepare and deal in all kinds of oils and oleaginous and saponaceous substances and all kinds of unguents and ingredients.

(5) To carry on business as bakers and manufacturers of and dealers in bread, starch, flour, biscuits, and fairnaceous compounds and materials of every description.

(6) To carry on the business of manufacturers of and dealers in paper of all kinds and articles made from paper or pulp and materials used in the manufacture or treatment of paper including cardboard, railway and other tickets, millboard and wall and ceiling papers.

(7) To carry on the business of fruiterers, grocers, corn and flour merchants, dairymen and general provision merchants and in particular to buy, sell, manufacture and deal in goods, stores and consumable articles of all kinds, both wholesale and retail.

(8) To carry on the business of electricians, mechanical engineers and manufacturers, workers and dealers in electricity, motive power and light and any business in which the application of electricity or any like power on any power that can be used as a substitute therefor, is or may be useful.

(9) To carry on business as refreshment contractors, restaurant keepers, refreshment room proprietors, sugar and sweetmeat merchants and to buy, sell, manufacture and deal in refreshments and consumable stores of all kinds.

(10) To carry on business as manufacturing chemist and ice merchants.

(11) To make enter into, perform and carry out contracts for building erecting, improving, constructing, allowing, repairing, decorating, finishing and furnishing houses, buildings, warehouses, storerooms, edifices, tenements and structures of every kind and description and to carry on in all their respective branches the business of builders, contractors, decorators and such other trades and businesses as pertaining to or connected with the general business of building and constructions.

(12) To carry on the trades or business of iron masters, steel makers, steel converters, colliery proprietors, coke manufacturers, miners, smelters, engineers, tin plate makers and iron founders and rolling mill owners in all their respective branches.

(13) To search for, get, work, raise, make merchantable, sell and deal in iron, coal, ironstone, brick-earth, bricks and other metals, minerals and substances of the earth and to manufacture and sell patent fuel.

(14) To construct, execute, carry out, equip, improve, work, develop, administer, manage or control public work and conveniences of all kinds, which expression in this Memorandum includes railways, tramways, docks, harbours, piers, wharves, canals, sanitary reservoirs, embankments, irrigation, reclamation, improvement water, gas, electric light, telephone, telegraphic and power supply works and hotels, warehouses, markets and public building and all other works or conveniences of civil, military or any other private or public utility.

(15) To carry on the business of chemists and druggists and manufacturers of and dealers in pharmaceutical, medicinal, chemical, industrial and other preparations, articles and compounds.

(16) To Manufacture sugar and all kinds of machinery and parts thereof and dillets, rolled iron and steel bars, etc. and manufacture of sheets, glass goods of every description, cement, tiles, battery, sanitary fitting and other articles made wholly or partly of cement, clay and ceramic materials.

(17) To enter into any arrangements and/or agreements with the Government of Bikaner or any local Government or Native State or with any authorities public, municipal, local, railway or otherwise or with any other person that may seem conducive to the company's objects or any of them and to obtain from any such Government, Native State, authority or persons any right, privileges and concessions which the Company may think desirable to obtain and to carry out, exercise and comply with any such arrangements rights, privileges and concessions, and dispose of or turn to account the same.

(18) To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or enter into any arrangement for sharing profits, or for co-operation or for limiting competition, or for mutual assistance with any such person, firm or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired interalia any share, debentures, debenture stock, or securities that may be agreed upon, and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

(19) To purchase or otherwise acquire lands or building in the Bikaner

State or elsewhere to accept leases thereof and on such lands to erect buildings for the works and the purposes of the Company, and also to purchase and erect plant and machinery for the purpose of ginning, pressing, weaving, manufacturing, dyeing, colouring, printing, silk, silkwaste, yarns, clothes, fabrics, cotton, wool and other staples, fibres and materials.

(20) To sell or dispose of, for cash or on credit or on exchange or to contract for sale and future delivery of or to send for sale to any part of India or elsewhere all the above mentioned articles, fabrics and things and also other produce whatsoever of the Company.

(21) To carry on at any place or places to be determined by the company all or any of the business or planters, growers, cultivators, farmers, refiners, manufacturers, producers, wholesale and retail dealers, importers and exporters of any or all kinds of produce merchandise or commodity.

(22) To acquire by purchase, lease, exchange or otherwise any lands, buildings, forests, forest rights, mineral rights, water rights, easements or heritages or any tenure, estates and plantation and building, machinery and appurtenances thereto or other real or personal property, lease suitable or convenient for the business of this Company.

(23) To transact loan and commission business in connection with landed property by making advances on the securities or freehold, leasehold or any other kind of land and house properties and by arranging loans, sales, purchases, leases and mortgages of such properties.

(24) To foreclose or buy any property under mortgage to the Company and to enter into possession, hold on, let out, lease, maintain, improve, sell or otherwise deal with properties to which the company has become entitled by fore-closure or otherwise, and for the purpose of better realising any security to purchase the equity or the redemption of, or any other share or other interests in any property upon which or upon any interest in which the company may have charge.

(25) To carry on any other businesses which may seem to the company capable of being conveniently carried on or calculated directly or indirectly to enhance the value of or render profitable any of the company's properties, business or rights.

(26) To undertake and execute any trusts, or managements or arrangements the undertaking whereof may seem desirable and either gratuitously or otherwise.

(27) To extend the business of the Company by adding to, altering or enlarging from time to time all or any of the buildings, premises and machinery for the time being the property of the company, also by erecting new and additional buildings on all or any of the lands and premises for the time being the property of the company, and also by expending from time to time such sums of money as may be in the opinion of the Directors, necessary or expedient for the purposes of improving, adding to, altering repairing, and maintaining the buildings, machinery and property of the Company.

(28) To exchange, sell, convey, assign or let on lease the whole or any part of the Company's immovable properties and to accept as consideration or in lieu thereof other land or cash or securities guaranteed by British Government, shares in Joint Stock Companies or partly the one and partly the other of such other property or securities as may be determined by the Company and to take back or require any property so disposed of by purchasing or leasing the same for such price or prices and on such terms and conditions as may be agreed upon.

(29) To acquire, promote, conduct, manage or carry on in the Bikaner State or elsewhere any other businesses, industry or trade which in the opinion of the Directors would add to the profits of the company and to do all such businesses which are usually done by manufacturers, industrialists, financiers, merchants, agents, concessionaries.

(30) To undertake the payment of all rent and the performance of all covenants, conditions and agreements, contained in and reserved any lease that may be granted or assigned to or be otherwise acquired by the Company.

(31) To purchase the reversion or reversions or otherwise acquire the freehold or all or any part of the lands for the time being held under a lease or as an estate less than a freehold estate by the Company.

(32) To be interested in, promote and/ or undertake the formation and establishment of such institutions and companies, industrial, agricultural, trading, manufacturing or otherwise and particularly mills and factories as may be considered to be conducive to the profit and interest of the Company and also to acquire, promote and foster, substitute or acquire interests in any industry or undertaking in any country or countries whatsoever.

(33) To borrow or raise money or to receive money on deposits at interest or otherwise in such manner as the Company may think fit and in particular by the issue of debentures or debenture stock perpetual or otherwise, including debentures or debenture stock convertible into shares of this company or perpetual annuities and in security of any such money so borrowed, raised or received to mortgage, pledge, charge the whole or any part of the property, assets or revenue of the company present or future including its uncalled capital, by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities.

(34) To sell or dispose of or transfer the business, property or undertaking of the company or any parts thereof for such consideration as the company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company.

(35) To establish and conduct agencies and branches in any part of the world for the purpose of the company.

(36) 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 preliminary including therein the cost of advertising, commissions for underwriting, brokerage, printing and stationery expenses attendant upon the formation of agencies, branches and local boards.

(37) To create any depreciation fund, reserve fund, sinking fund insurance fund and/or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the company or for any other purposes conducive to the interest of the Company.

(38) To provide for and utilise such sum or sums of money that may be agreed upon by the company from time to time for research work connected with the objects of the Company and for the protection of the interest of the Company.

(39) To provide for payment or bonuses of amount of money and for other payments to Managing Agents, managers and other employees of the Company in such manner as may seem proper to the Company in that behalf.

(40) To remunerate any parties for services rendered or to be rendered in



placing or assisting to place any shares in the Company's capital or any debentures, debenture stocks or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.

(41) Upon any issue of shares, debentures or other securities of the Company to employ broker, commission agents and underwriters and to provide for the remuneration of such persons for the 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.

(42) To apply for and take out, purchase or otherwise acquire any monopolies, concessions, licences or privileges, patents, patent-right or invention, trade-marks, copyright or secret processes which may be useful for the Company's objects and to work or dispose of or grant licences to use the same.

(43) To manufacture, buy, sell and generally deal in any plant, machinery, tools, 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.

(44) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and right of the Company.

(45) To appropriate any part or parts of the property of the Company for the purpose of and to build and let or sell shops, offices and other places or business.

(46) To issue or guarantee the issue of or the payment of interest on the shares, debentures, debenture stock or other security or obligations of any company or association and to pay or provide for brokerage, commission and underwriting in respect of any such issue.

(47) To draw, accept and make and to endorse, discount and negotiate bills of exchange, hundies, promissory notes, poorjas, Bills of Lading, Railway Receipts, warrants, debentures and other negotiable mercantile or transferable instruments.

(48) To open an account or accounts with any bank or banks and to draw and endorse cheques and to withdraw money from such accounts.

(49) To receive money on deposit with or without allowance of interest thereon.

(50) To advance and lend money upon such securities as may be thought proper and to give credits or guarantees for the performance of any contracts or liabilities.

(51) To invest the moneys of the Company not immediately required in such manner other than in shares of this Company as from time to time may be determined.

(52) To acquire by subscription, purchase or otherwise and to accept and take hold or sell shares or stocks in any company, society, 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 to promote or advance the interest of this Company.

(53) To provide for the welfare of employees or ex-employees of the Company and the wives, widows and families or the dependents or connection of such persons by building or contributing to the building of houses, dwelling of chawl or chawls or by grants of money, pensions allowance, bonus or other payment or by creating, and from time to time, subscribing or contributing to

Provident and other Associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions and recreations, hospitals and dispensaries, medical and other attendants and other assistance as the Company shall think fit and to subscribe or contribute or otherwise assist or to guarantee money to charitably, benevolent, religious, scientific or, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reasons or locality of operation or of public and general utility or otherwise.

(54) From time to time to subscribe or contribute to any charitable benevolent or useful objects of a public character, the support of which will, in the opinion of the Director tend to increase its repute or popularity among its employees, its customers or the public.

(55) To establish promote and otherwise assist any partnership, company or associations for the purposes of furthering any of the objects of this Company.

(56) To accept stock or shares in or the debentures, mortgage debentures or other security of any other company in payment or part payment of any services rendered or for any sale made to or debt owing from any such company.

(57) To distribute in specific or otherwise as may be resolved any assets of the Company amongst the members and particularly the share debentures and other securities of any other company formed to take over the whole or any part of the assets or liability of this Company.

(58) To procure the Company to be registered or recognised in any part of India or the British Empire or in any foreign country or place.

(59) To do all or any of the above things in any part of the world and as principals, brokers, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.

(60) Generally to do all such other things as may appear to be incidental or conducive to the attainment of the above objects or any of them in any part of the world.

And it is hereby declared that the word 'Company' in this clause shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated and whether domiciled in India or elsewhere, and the intention is that the objects specified in each sub clause of this clause shall, except where otherwise expressed in such sub-clause be independent of the main objects, and shall be in no way limited or restricted by reference to or inference from the terms of any other sub-clause or the name of the Company, the intention being that each sub-clause shall receive the widest constructions.

4. The liability of the members is limited.

5. The share capital of the Company is \*Rs. 2,00,00,00,000 divided into 3,96,00,000 (Three Crore Ninety Six lacs only) ordinary shares of Rs. 50 each, and 2,00,000 (Two lacs only) 12% 10 Years Redeemable Preference shares of Rs. 50/- each and 2,00,000 (Two lacs only) 11% 10 Years Redeemable Preference Shares of Rs. 50/ each. The said capital may from time to time be increased, reduced or modified. Shares in the original or increased or reduced or modified capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred, qualified or special right privileges or conditions.

---

\* Increased from Rs. 65.00 crore in AGM held on 26.09.2014

Speed Post

**No. 24/2/2011-CL-III**

**Government of India**

**Ministry of Corporate Affairs**

Shastri Bhawan, 'A' Wing, 5th Floor,  
Dr. Rajendra Prasad Road,  
New Delhi-110 001.  
Dated : 17.07.2013

To,

M/s. Hi-Tech Precision Glass Ltd,  
4th floor, Nehru Sahkar Bhawan,  
Bhawani Singh Road, Jaipur-302 006

M/s. Rajasthan State Ganganagar Sugar Mills Ltd,  
4th floor, Nehru Sahkar Bhawan,  
Bhawani Singh Road, Jaipur-302 006

**Sub : Amalgamation of HPGL with RSGSM - Application u/s 391-394 of the Companies Act, 1956.**

Sir,

I am directed to forward herewith a certified copy of this Ministry's Order dated 15.07.2013 on the above subject for information and necessary action.

Yours faithfully,

Sd/-

(Ravi Vazirani)

Encl: as above

Under Secretary to the Government of India

Copy for information to:-

1. The Regional Director (NWR), Ministry of Corporate Affairs, ROC Bhawan, opp. Rupal Park Society, behind Ankur Bus Stop, Narangpura, Ahmedabad-380013.
2. The Registrar of Companies, Ahmedabad, ROC Bhawan, opp. Rupal park Society, behind Ankur Bus Stop, Narangpura, Ahmedabad-380013.
3. The Official Liquidator, C-6/7, 1st floor, Residency Area, Civil Lines, Jaipur-302001.

Sd/-

(Ravi Vazirani)

Under Secretary to the Government of India

**GOVERNMENT OF INDIA**  
**MINISTRY OF CORPORATE AFFAIRS**

In the matter of Sections 391-394 of the Companies Act, 1956

And

In the matter of Scheme of Amalgamation of  
M/s. Hi-Tech Precision Glass Limited

With

M/s. Rajasthan State Ganganagar Sugar Mills Limited

1. M/s. Hi-Tech Precision Glass Ltd, an existing company within the meaning of the Companies Act, 1956 and having registered office at 4th floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302 006.

.....Transferor Company

2. M/s. Rajasthan State Ganganagar Sugar Mills Limited, an existing company within the meaning of the Companies Act, 1956 and having registered office at 4th floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302 006.

.....Transferee Company

**Present :-**

1. Shri Mobin Ansari, Rajasthan State Ganganagar Sugar Mills Ltd.
2. Shri A.R. Jain, Consultant.
3. Shri K.C. Bansal, Hi-Tech Precision Glass Ltd.

**GOVERNMENT OF INDIA**  
**MINISTRY OF CORPORATE AFFAIRS**

(Hearing held on 16.04.2013)

Confirmation petitions were filed on 15th April, 2013 by the applicant companies in this Ministry u/s 391-394 of the Companies Act, 1956 praying for confirmation and sanction of the Scheme of Amalgamation of M/s Hi-Tech Precision Glass Ltd (Transferor Company, hereafter called HPGL) with M/s Rajasthan State Ganganagar Sugar Mills Ltd (Transferee company, hereafter called RSGSM)

2. The Scheme proposes amalgamation of M/s Hi-Tech Precision Glass Ltd (Transferor Company) with M/s Rajasthan State Ganganagar Sugar Mills Ltd (Transferee Company). It is informed that both the companies are undertakings of State Government of Rajasthan as 99.96% shareholding of HPGL and 99.82% shareholding of RSGSM belong to the State Government of Rajasthan. It is proposed that both the above Companies may form a single entity to consolidate and further make efficient use of the available resources and to undertake planned growth of business as a whole at a reduced cost for eliminating duplicacy of efforts and expenditure. The State Government have approved the amalgamation of M/s Hi-Tech Precision Glass Ltd with M/s. Rajasthan State Ganganagar Sugar Mills Ltd vide cabinet order 142/2012 dated 5th July, 2012.

3. Transferor Company viz: M/s. Hi-Tech Precision Glass Limited was incorporated in the year 1963, as a Government Company under Section 617 of the Companies Act, 1956. The Glass factory of the transferor company for manufacturing of laboratory glass wares was taken on lease by the Transferee Company in July 1968 and it continues to be so. The Registered Office of the Transferor Company is situated at 4th floor, Nehru Shakar Bhawan, Bhawani Singh Road, Jaipur-302006.

4. Transferee Company viz: M/s. Rajasthan State Ganganagar Sugar Mills Ltd was incorporated in the year 1945 as a Government Company under Section 617 of the Companies Act, 1956. Its main business activities are production and sale of sugar and production and exclusive right of supply of country liquor in the state of Rajasthan. The Registered Office of Transferee Company is situated at 4th floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur-302006.

5. In accordance with the Government of India, Notification GSR 238 dated 2.2.1978 read with Section 620 of the Companies Act, 1956, the Central Government has jurisdiction under the provisions of the Section 391-394 of the Act with respect to Government companies. Therefore, the Central Government in the Ministry of Corporate Affairs has jurisdiction to hear and decide the present petitions.

6. The application/petition of Transferor Company is supported by the affidavits of Shri Mahendra Soni, Director In-charge of the Company who is duly authorized to file the present application/petition on behalf of the Transferor Company, in terms of the Board of Directors resolution dated 25th November, 2010.

7. The application/petition of the Transferee Company is supported by the affidavits of Shri Mobin Ansari, Company Secretary who is duly authorized to file the application/petition, in terms of the Board of Directors resolution passed on 22nd December, 2010.

8. During the hearing on 29.11.2012 the companies have furnished details of assets and liabilities and also complete list of secured/unsecured creditors. The companies were also directed to furnish complete list of secured/ unsecured creditors and no objection from the creditors. The companies were directed to furnish names of three Retd. High Court judges to conduct the meetings of shareholders and creditors. The next hearing on the matter was held on 27.2.2013. During the hearing the companies sought exemption from the requirement of conducting meetings of shareholders and secured/ unsecured creditors as there are no secured

creditors in both the companies and the unsecured creditors of Transferee company is Rs. 21.7 Crores only. After the hearing the Companies were directed vide order dated 27.2.2013 to publish notice of the hearing and invite objections to The proposed scheme of amalgamation in English, Hindi and vernacular newspapers having wide circulation. The petitioner companies were also directed to place the scheme on the websites of both the companies.

9. It was further ordered that in terms of section 391-394A of the Companies Act, 1956, notices be issued to the following for their report on the affairs of the companies by 10th April 2013:-

- (i) The Regional Director (NWR, Ministry of Company Affairs, ROC Bhawan, Opp. Rupal Park Society, behind Ankur Bus Stop, Narangpura, Ahmedabad-380 013.
- (ii) The Registrar of Companies, Ministry of Corporate Affairs, Jaipur, Corporate Bhawan, G-6/7, 2nd floor, Residency Area, Civil Lines, Jaipur- 302 001.
- (iii) The Official Liquidator, Jaipur, attached to High Court of Rajasthan, G-6/7, 1st floor, Residency Area, Civil Lines Jaipur-302 001.

10. During the hearing held on 16th April, 2013 the companies furnished confirmation petition along with paper cuttings of the notice issued in 'Dainik Bhaskar' dated 16.3.2013 and 'Nav Bharat Times' dated 16.3.2013 in Hindi and 'Economic Times' dated 16.3.2013 in English. The representatives of both the companies also requested that since the shareholders have already given their consent to the Scheme the requirement of convening the meeting of equity shareholders may be dispensed with. It was also requested that the requirement of convening the meeting of secured/unsecured creditors may also be dispensed with as both the companies have no secured creditors and no objections has been received from any persons objecting the Scheme of amalgamation.

11. After considering the facts and submissions made by the petitioners, it is directed that both the Transferor and Transferee Companies being government companies and as the shareholders having already given their consent vide resolutions passed at the Extra Ordinary General Meeting of the Transferor Company and Transferee Company on 4.1.2011 and 27.1.2011 respectively the requirement of meetings of equity shareholders of both Transferor and Transferee Companies are dispensed with.

12. Meetings of the secured and unsecured creditors of Transferor and Transferee companies are also dispensed with as there are no secured creditors in the case of Transferor and Transferee Companies and the amount of unsecured creditors in the case of Transferee Company is also negligible. In any case, Transferee Company is liable to pay to its creditors.

13. The report of Regional Director (NWR) states that since the Transferor Company has incorporated enabling clause in the articles of association in the year 2011 the competent authority may fix the appointed date w.e.f. 1.4.2012. Further, he has stated that the Transferee Company may be directed to make necessary accounting entries/ adjustments as per Accounting Standard-14. He has reported that the proposal is not prejudicial to the interest of shareholders of the companies and public at large.

14. The report of Registrar of companies states that both the companies are regular in filing the returns and there are no complaints against the companies and no notices or prosecutions are issued against the companies.

15. The report of Official Liquidator, Jaipur states that his office has no objection to the proposal of amalgamation of Transferor Company and the authority may pass any order as may be deemed fit and proper.

16. It is noted that for considering the proposal of amalgamations, all the procedures as required under the provisions of the Companies Act, 1956 read with the Companies (Court Rules) 1959 have been observed and transparency maintained. Sufficient opportunity was provided to all

concerned, by way of publication of notice of scheme and supplying copies of all Scheme to anyone who required so or placing the Scheme on the web-sites of the companies.

17. It is noted that the Scheme contains no objectionable features detrimental to the interest of the employees of the Transferor Company or Transferee Company. Upon the Scheme becoming effective, any and all employees employed in connection with the working of the Transferor Company as on the Effective Date shall be deemed to be the employees of the Transferee Company employed without any breach or interruption of service and subject to the provisions of the Scheme, on terms and conditions not less favorable than those applicable to them as on effective date.

18. The said Scheme does not violate any statutory provisions. The Scheme is fair, just, sound and is not against any public interest. The validity of all the actions, proceedings and obligations of the Transferor and Transferee Companies shall continue even after the implementation of the Scheme. Therefore, no person holding any claim or right against the Transferor or Transferee Company prior to the Scheme coming into effect would be taken to be prejudicially affected even after the implementation of the scheme.

19. In the aforesaid facts and circumstances and having regard to the averments made in the petitions and during the course of the hearing, submission made by the petitioner companies and further considering the reports of the concerned Regional Director, Registrar of Companies and Official Liquidator, the Scheme of amalgamation of the Transferor Company with the Transferee Company is found to be in order and hence the prayer for sanction of the Scheme in the said confirmation petitions and affidavit dated 15.4.2013 deserves to be allowed with observations made in this order.

20. Now, therefore, the sanction of the Central Government is hereby accorded to the Scheme of Amalgamation (Annexure A-1 to the petition) of M/s Hi-Tech Precision Glass Ltd (Transferor Company) with M/s. Rajasthan State Ganganagar Sugar Mills Ltd (Transferee Company) under section 391(2) read with section 394 of the Companies Act, 1956. The Scheme shall be binding on the shareholders and creditors of the Transferor Company and Transferee Company and all concerned with effect from 1.4.2012, being the appointed date under the said Scheme.

21. Consequent to the amalgamation of the companies, and the Scheme becoming effect:-

- i) The Transferor Company shall stand dissolved without the process of winding up;
- ii) All the property, rights and powers of Transferor company specified in Annexure-II hereto and all the other property, rights and powers of Transferor company shall be transferred without further act or deed to the Transferee company in accordance with the Scheme, and accordingly the same shall, pursuant to section 394(2) of the Act be transferred to and vest in the Transferee company for all the estate and interest of transferor company therein;
- iii) All the liabilities and duties of Transferor company shall be transferred without further act or deed to Transferee company in accordance with the Scheme and accordingly the same shall, pursuant to section 394(2) of the Act be transferred to and become the liabilities and duties of Transferee company;
- iv) All proceedings, now pending by or against the Transferor company shall be continued by or against Transferee company; and,
- v) The petitioner companies shall subject to the provisions of the Companies Act, 1956, apply Accounting standard (AS-14) as laid down in the Accounting Standards Rules, 2006 notified by the Government of India.

22. It is further ordered that the parties to the Scheme or other persons interested in the Scheme shall be at liberty to apply to the Ministry of Corporate Affairs, Government of India, for any direction that may be necessary in regard to working of the said Scheme.



23. It is further ordered that Transferor Company and Transferee Company do file with the Registrar of Companies, Jaipur a certified copy of this order within 30 days of the receipt of the same. A Copy of the order be made available to the parties concerned.

**SCHEDULE:**

1. Copy of the Scheme of Amalgamation (being annexure A1 to the petition) is annexed as Annexure-I.
2. Details of freehold, leasehold and list of other properties of Transferor Company as mentioned in the Annexure F & G hereto Annexure-II

Sd/-

**(MANOJ KUMAR)**

Joint Secretary to the Government of India

On behalf of the Central Government

Place: New Delhi

Date: 15th July, 2013



**REVISED DRAFT**  
**BEFORE THE HON'BLE SECRETARY, DEPARTMENT OF COMPANY**  
**AFFAIRS,**  
**MINISTRY OF C.A.**  
**SCHEME OF AMALGAMATION**  
**OF**  
**HI-TECH PRECISION GLASS LTD (HPGL)**  
**(TRANSFEROR COMPANY)**  
**WITH**  
**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LTD (RSGSM)**  
**(TRANSFeree COMPANY)**

**PART I**

**PRELIMINARY**

1.1.1 This scheme of Amalgamation provides for the amalgamation of Hi-tech Precision Glass Ltd (HPGL) having its Registered Office at 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur 302 006 with Rajasthan State Gaganagar Sugar Mills Ltd. Having its Registered Office at 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur - 302 006 pursuant to section 396 and other relevant provisions of the Companies Act, 1956.

1.1.2 Hi-tech Precision Glass Ltd (HPGL), the Transferor Company, is a Government Company, incorporated in the year 1963 under Companies Act, 1956 for manufacturing of laboratory glass wares. Subsequently, in pursuance of Cabinet decision of Government of Rajasthan, transferee Company took over the glass factory of transferor Company on lease in July 1968 and started manufacturing glass wares and bottles for filling country liquor. However, due to subsequent development and fall of the Chimney of The Glass Factory, the glass bottle production was stopped in 1994. The Transferor Company continues to be on lease with Transferee Company, where the Transferee Company is having its Reduction Centre for manufacturing/processing of country liquor.

**NOTE :** Initially the application/petition, by both the Companies were filed U/S 396 of the Companies Act, 1956 on 09.06.2011. Now separate application/petition for the proposed amalgamation have been filed U/S 391-394 of the Companies Act, 1956 read with Government of India Notification No. GSR 238 dated 02-02-1978. Hence the words '396' wherever it occurs, the words '391-394' shall be substituted.

1.1.3 Rajasthan State Ganganagar Sugar Mills Ltd (RSGSM) the Transferee Company, is also a Government Company having sugar factory and a distillery unit at Shri Ganganagar. The glass factory of HPGL at Dholpur is also on lease with it since 1968.

**1.1.4 Objectives for Amalgamation**

Both the companies are Government companies/Undertaking as 99.96 % shareholding of HPGL and 98.79 % shareholding of RSGSM is of State Government of Rajasthan.

The Glass Factory established by HPGL at Dholpur could not work on economic footings since inception and, therefore, it was decided to lease out the glass factory of HPGL to RSGSM In July, 1968 which is still continuing. The object behind taking HPGL on lease by

RSGSM was to manufacture Glass Wares and Excise Glass bottles at Dholpur for filling of country liquor, which was continued upto 1994 and after fall of Chimney in 1994, RSGSM decided to close down the operations. From February 2000 onwards part of the land of HPGL is being utilized as Reduction Centre at Dholpur.

It is proposed that both the above Companies may form a single entity to consolidate and further make efficient use of the available resources and to undertake planned growth of business as a whole at a reduced cost by eliminating duplicacy of efforts and expenditure. The proposed amalgamation would be in public interest as-

- (a) Both the Companies are undertakings of State Government of Rajasthan, and their amalgamations would result efficient Administrative Control and better utilization of available resources.
- (b) The employees of HPGL have already been absorbed in RSGSM and the existing available resources of HPGL will be better utilized for planned growth of the business in the public interest.
- (c) The Cost of Operation will be reduced by eliminating duplicacy of efforts and expenditure and the activities of transferor company will be restructured with better productivity and gainful employment in larger public interest.

**DEFINITION:**

- 1.2 In this scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as under:
  - 1.2.1 'The Act' shall mean the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.
  - 1.2.2 'The Appointed Date' shall mean 1st day of April, 2010 or such other date as may be fixed by Central Govt. in its order while approving the scheme.
  - 1.2.3 'The Effective Date' shall mean the last of the dates on which all the consents, approvals or things specified in the Scheme are obtained or done and the gazette notification of Central Government sanctioning this Scheme is published.
  - 1.2.4 'THE TRANSFEROR COMPANY' shall mean Hi-Tech Precision Glass Ltd, a company incorporated under the Companies Act, 1956 having its Registered office at 4th Floor, Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur 302 006.
  - 1.2.5 'THE TRANSFEREE COMPANY' shall mean RAJASTHAN STATE GANGANAGAR SUGAR MILLS LTD, a Company incorporated under the Companies Act, 1956 having its Registered Office at 4th Floor Nehru Sahkar Bhawan, Bhawani Singh Road, Jaipur 302 006.
  - 1.2.6 'THIS SCHEME' means the scheme of Amalgamation of the Transferor Company with the Transferee Company in its present form or as may be modified from time to time.
  - 1.2.7 'Undertaking' shall mean the undertaking and the entire business and all the movable and Immovable properties, tangible and intangible properties, all assets, deposits, leases, licence, rights, tenancies, investments of all kinds, reversions, powers, authorities, allotments, all permits and consents, contract, engagements, arrangements of all kinds, rights, title, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor company including but without being limited to utilities, reserves, provisions, benefits of all agreements and all other interests.
  - 1.2.8 'Dissolved Company' means Hi-Tech Precision Glass Ltd (HPGL).
  - 1.2.9 'Resulting Company' means Rajasthan State Ganganagar Sugar Mills Ltd (RSGSM)

## PART - II

### SHARE CAPITAL

- 2.1.1 The Authorised share Capital of Hi-tech Precision Glass Ltd, THE TRANSFEROR COMPANY is Rs. 50,00,000 (Rupees Fifty Lacs Only) divided into 5,00,000 Equity Shares of Rs. 10/- each. AND
- 2.1.2 The Authorised share Capital of Rajasthan State Ganganagar Sugar Mills Ltd. (RSGSM) THE TRANSFEREE COMPANY is Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 6,00,000 ordinary share of Rs. 50/- each and 2,00,000-12% 10 years redeemable preference share of Rs. 50/- each and 2,00,000 - 11% 10 years Redeemable Preference shares of Rs. 50/- each AND
- 2.1.3 The abstract of issued and subscribed and paid-up share-holdings pattern as on 31.03.2010 of above two companies is as under:

(i) Hi-Tech precision Glass Ltd (HPGL)

(a) Issued Capital :

Issued Capital of the company is Rs. 10,00,000/- divided in 1,00,000 equity shares of Rs. 10/- each and

(b) The subscribed and paid-up capital is as under :

S. No.	Name of Shareholders	Face Value of Share (Rs.)	Number of Equity Shares of Rs. 10/- each	Amount of Equity Share Capital (Rs.)	% age
1.	Hon'ble Governor of Rajasthan	10	75997	7,59,970/-	99.96
2.	'Private Shareholders'	10	34	340	00.04
			76,031	76,60,310	100%
	Forfeited Shares				
		Total	76,031/-	7,65,310/-	

(ii) Rajasthan State Ganganagar Sugar Mills Ltd. (RSGSM) :

The subscribed and paid-up capital is as under :

S. No.	Name of Shareholders	Face Value of Share (Rs.)	Number of Equity Shares of Rs. 50/- each		Amount of Share Capital (Rs.)	% age
			Class of Shares	No.		
1.	Hon'ble Governor of Rajasthan	50	Ordinary	5,41,049	2,70,52,450	98.40
		50	Preference	1,79,613	89,80,650	100
2.	'Private Shareholders'	50	Ordinary	8,797	4,39,850	01.60
		50	Preference	-	-	-
	Total	50	Ordinary	5,49,846	2,74,92,300	
		50	Preference	1,79,613	89,80,650	
		Total		7,29,459	3,64,72,950	

- 2.1.4 All the shares of the dissolved company HPGL shall be cancelled.

### **PART-III**

#### **AMALGAMATION OF COMPANIES (TRANSFER AND VESTING)**

- 3.1 With effect from the Appointed Date all the properties of THE TRANSFEROR COMPANY except for the properties specified in clause 3.2 below of whatsoever nature and wherever situated and which are incapable of passing by manual delivery or by endorsement and delivery and including but not limited to licenses, all approvals, rights, authorizations, permissions, quota, incentives, subsidies, leases, licenses, tenancy rights, goodwill and all other rights and powers of every kind, nature and description shall, under the provisions of Section 396 and other applicable provisions of the Act, without further act or deed, be transferred to and/or deemed to be transferred to and vested in THE TRANSFEREE COMPANY so as to become the properties of THE TRANSFEREE COMPANY.
- 3.2 All the movable assests of THE TRANSFEROR COMPANY including cash on hand shall be physically handed over by manual delivery to THE TRANSFEREE COMPANY to the end and intent that the property and benefit therein passes to THE TRANSFEREE COMPANY. The amounts lying with the Bankers to the credit of THE TRANSFEROR COMPANY shall also be transferred to THE TRANSFEREE COMPANY. Such delivery and transfer shall be made on date to be mutually agreed upon between the respective Board of Directors of THE TRANSFEROR COMPANY and THE TRANSFEREE COMPANY after the orders of the Central Government sanctioning this scheme is duly passed.
- 3.3 With effect from the Appointed Date, all debts, liabilities, duties and obligations (hereinafter referred to as 'the said liabilities') of THE TRANSFEROR COMPANY shall, under the provisions of Section 396 and other applicable provisions of the Companies Act, of the Act, without further act or deed, also be transferred and/or deemed to be transferred to and vested in THE TRANSFEREE COMPANY so as to become the debts, liabilities, duties and obligations of THE TRANSFEREE COMPANY.
- 3.4 THE TRANSFEREE COMPANY may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise execute deeds of confirmation in favour of any party to any contract or arrangement to which THE TRANSFEROR COMPANY is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. THE TRANSFEREE COMPANY shall under the provisions of this scheme, be deemed to be authorized to execute any such writings on behalf of THE TRANSFEROR COMPANY to carry out or perform all such formalities or compliance referred to above on the part of THE TRANSFEROR COMPANY to be carried out or performed.
- 3.5 THE TRANSFEROR COMPANY shall carry on its business and activities with reasonable diligence and business prudence and shall not undertake any financial commitments, borrow any amounts nor incur any other liabilities, save as expressly permitted by this scheme.
- 4.0 Except by mutual consent of the respective Boards of Directors of the Transferor Company and the Transferee Company no change shall be made in their respective capital structure with effect from the Appointed Date and upto and including Effective Date either by any increase (by issue of equity of shares on a rights basis, bonus shares, convertible debentures) or otherwise decrease, reduction, reclassification, sub-division or consolidation, re-organslation, or in any other manner which may, in any way, affect the Share Exchange Ratio (as defined in Clause 10(a) below).
5. Savings of Contracts, etc;
- Subject to other provisions of this scheme, all contracts deeds, bonds, agreements, Insurance policies and other Instruments to which THE TRANSFEROR COMPANY is a

party, subsisting or operative immediately on or before the Effective Date, shall remain in full force and effect against or in favour of THE TRANSFEROR COMPANY, as the case may be enforced as fully and effectively as if instead THE TRANSFEROR COMPANY, the TRANSFEREE COMPANY had been a party thereto.

6. Saving of legal proceedings :

If on the appointed day, any suit, prosecution, appeal or other legal proceedings of whatever nature by or against the dissolved company are pending, the same shall not abate or be discontinued, or be in any way prejudicially affected by reasons of the transfer to the resulting company of the undertaking of dissolved company or of anything contained in this order, but the suit, prosecution, appeal or other legal proceedings may be continued prosecuted and enforced by or against the resulting company in the same manner and to the same extent as it would have or may be continued, prosecuted and enforced by or against the dissolved company if this order had not been made.

All legal proceedings by or against THE TRANSFEROR COMPANY pending at the Appointed date and relating to the property, assets, debts, liabilities, duties and obligations referred to in clauses 3.1, 3.2, 3.3 and 3.4 hereof shall be continued until the Effective Date as per the directions of THE TRANSFEREE COMPANY and at its cost and risk, and as and from the Effective Date shall be continued and enforced by or against THE TRANSFEREE COMPANY.

6.0 The transfer of the said assets and liabilities of THE TRANSFEROR COMPANY under clause 3.1, 3.2, 3.3 and 3.4 hereof to the TRANSFEREE COMPANY and the continuance of all contracts or proceedings by or against THE TRANSFEREE COMPANY under clauses 4.0 and 5.0 hereof shall not affect any contracts or proceedings already concluded by THE TRANSFEROR COMPANY on or after the Appointed Date to the end and intent that THE TRANSFEREE COMPANY accepts and adopts all acts, deeds, matters and things done and/or executed by THE TRANSFEROR COMPANY in regard thereto as having been done or executed on behalf of THE TRANSFEREE COMPANY

7.0 (a) All employees of THE TRANSFEROR COMPANY in service on the Effective Date, shall become employees of THE TRANSFEREE COMPANY on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to THE TRANSFEROR COMPANY as on said date. After absorption they will be governed under service rules/standing orders of THE TRANSFEREE COMPANY.

(b) In so far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special Scheme (s)/ Fund(s) created or existing for the benefit of the employees of THE TRANSFEROR COMPANY are concerned, upon the coming into effect of this Scheme, THE TRANSFEREE COMPANY shall stand substituted for THE TRANSFEROR COMPANY for all purposes whatsoever related to the administration and operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes/Funds as per the terms provided in the respective Trust, Deeds, to the end and intent that all the rights, duties powers and obligations of the THE TRANSFEROR COMPANY in relations to such Schemes/Funds shall become those of THE TRANSFEREE COMPANY. It is clarified that the service of the employees of the TRANSFEROR COMPANY will be treated as having been continuous for the purpose of the aforesaid scheme/Funds.

8.0 Pending the Scheme becoming THE TRANSFEROR COMPANY shall not declare and pay dividends to its shareholders without the consent of the Board of Directors of THE TRANSFEREE COMPANY.

9.0 All amounts outstanding including loans, deposits and debit or credit balances as between THE TRANSFEROR COMPANY and THE TRANSFEREE COMPANY as on the Appointed Date, if any, shall stand automatically cancelled and/or adjusted against each other.

**PART-IV**  
**REORGANISATION OF SHARE CAPITAL**

10. (a) Upon the coming into effect of this Scheme, and in consideration of the transfer of and vesting of the undertaking and the said Liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee company shall without any further application, act or deed issue and allot to the equity shareholders of the Transferor Company whose names are recorded in the Register of Members of the Transferor Company, on a date (hereinafter referred to as the 'Specified Date') to be fixed by the Board of Directors of the Transferee Company. The allotment of shares of Transferee Company to the shareholders of Transferor Company shall be in the ratio of one equity share of the face value of Rs. 50/- (Rupees Fifty only) credited as fully paid-up, for every 5 (five) equity shares of the face value of Rs. 10/- (Rupees Ten only) each in the Transferor Company. For any fraction of shares amount shall be paid in cash @10/- (Rupees Ten only) per share (the ratio of the share to be allotted to the shareholders of the Transferor Company by the Transferee Company for the shares held by them in the Transferor Company being referred to as the Share Exchange Ratio).

The proposed share exchange ratio is decided keeping in view the fact that the Government is holding 98.79% shareholding in RSGSM and 99.96% in HPGL and the process of separate valuation is not considered necessary. The State Government of Rajasthan has also confirmed this.

- (b) Such equity share to be issued and allotted by the Transferee Company in terms of Clause 10(a) shall rank pari passu in all respects with the existing equity shares of the Transferee Company.
- (c) Upon the coming into effect of this Scheme, the share certificates representing the shares in the Transferor Company shall be cancelled and shall be deemed to be cancelled without any further act or deed.



## **PART-V**

### **GENERAL TERMS AND CONDITION**

- 11.1 The Scheme has been agreed to by the Government of Rajasthan, who is the only shareholder of THE TRANSFEROR COMPANY and THE TRANSFEREE COMPANY. Private shareholders of Transferee Company has also been sent a copy of this Scheme.
- a) The Transferor Company shall with reasonable dispatch, apply to the Central Government for sanctioning this Scheme of amalgamation under Section 396 and other applicable provisions of the Act and for dissolution of THE TRANSFEROR COMPANY without winding up as also any order or orders as may be necessary and appropriate under the Act.
  - b) THE TRANSFEREE COMPANY shall also with all reasonable dispatch make applications/petitions under Section 396 and other applicable provisions of the Said Act to the Central Government for sanctioning of this Scheme for an order or orders under Section 396 of the Act for carrying this Scheme into effect.
- 11.2 THE TRANSFEROR COMPANY (by its Directors), and THE TRANSFEREE COMPANY (by its Directors) may, in their full and absolute discretion, assent to any alteration or modification of this Scheme which the Central Government may deem fit to approve or impose and may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to its implementation or in any matter connected thereto its implementation or in any matter connected therewith. In the event any conditions are imposed by Central Government which THE TRANSFEROR COMPANY or THE TRANSFEREE COMPANY finds unacceptable for any reason whatsoever then THE TRANSFEROR COMPANY or THE TRANSFEREE COMPANY, as the case may be, shall be entitled to withdraw from the Scheme.
- 12.0 On this Scheme finally taking effect as aforesaid THE TRANSFEROR COMPANY shall stand dissolved without winding-up and will not continue to function as an independent company but will be merged with THE TRANSFEREE COMPANY and the amalgamated company shall function under the name of THE TRANSFEREE COMPANY.
- 13.0 This Scheme is conditional upon and subject to such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.
- 14.0 In the event of the amalgamation not being approved by the Central Government, all costs, charges and expenses (including Stamp Duty) incurred by THE TRANSFEROR COMPANY, and THE TRANSFEREE COMPANY, in relation to or in connection with the negotiations leading to this Scheme and to the agreements between the parties hereto in respect thereof and of carrying out and completing the terms and provisions of this Scheme and the agreements entered into by and between the parties hereto relating thereto and of incidental expenses incurred for the completion of the amalgamation and merger of THE TRANSFEROR COMPANY and THE TRANSFEREE COMPANY shall be borne and paid on the Transferee Company and in case the amalgamation is approved by the Central Government, then the same (including Stamp Duty) shall be borne and paid in full by THE TRANSFEREE COMPANY.

**Office of the Sub-Divisional Officer  
(Land Acquisition Officer), Dholpur.**

**Sub :** Acquisition of Land for the Hi-Tech Glass, Dholpur.

Report u/s 4(2) of the Rajasthan Land Acquisition Act, 1953.

A notification No. F-4(95) Ind (A)/62 dated 14<sup>th</sup> Feb. 1963 under section 4 of the Rajasthan Land Acquisition Act, 1953, in respect of the above work was issued by the Government. The Land to be acquired for this purpose was demarcated at site and Khasra and site plan prepared accordingly. The total area comes to Sixty-three bighas. & 7 biswas. as detailed below :-

Distt.	Tehsil	Village	Bighas. Biswas		
Bharatpur	Dholpur	Malipura	13	-	13
		Mahawat Nagar	4	-	14
		Fatehabad	45	-	00
			63	-	07*

It is absolutely necessary and desirable to acquire the land for the above purpose.

Sd/-  
Sub-Divisional Officer  
(Land Acquisition Officer)  
Dholpur (Dist. Bharatpur)

**Statement of Area**

Distt.	Tehsil	Village	Khasra Nos.	Bighas. Biswas	
Bharatpur	Dholpur	Malipura	1/1-4	1	- 9
			2	1	- 18
			1/2	0	- 15
			1/3	0	- 16
			1/6	0	- 06
			5/1	1	- 12
			5/3	1	- 12
			5/2	1	- 05
			5/4	1	- 04
			1/5	0	- 06
			3	0	- 03
			4	2	- 07
				13	-13
			108/1..2		
			107/4	2	- 10
			109/	2	- 04
			1-2-3	4	- 14
Bharatpur	Dholpur	Mahawatnagar			

\* Out of above land 09 Bigha and 02 Biswa has been sold to F.C.I. at Dholpur, Remaining 54 Bigha and 05-Biswa land is available with HPGL, on record.



Distt.	Tehsil	Village	KhasraNos.	Bighas. Biswas
Bharatpur	Dholpur	Fatehabad	1/1	1 - 16
			1/2	0 - 02
			2/1	1 - 16
			2/2	0 - 11
			3	2 - 11
			7	1 - 1
			16/1-2-3	3 - 03
			16/4	0 - 03
			4	1 - 10
			5	3 - 15
			6/1	0 - 17
			6/2	0 - 03
			8	2 - 01
			9	3 - 05
			11	] 2 - 13
			22/3	
			12	3 - 04
			13	2 - 15
			14	1 - 19
			15	2 - 13
			17/1-2	0 - 15
			22/1	1 - 10
			22/2	0 - 06
			22/4	0 - 03
			22/5	0 - 07
			22/6	0 - 06
			22/9	0 - 04
			22/10	0 - 06
			32	] 2 - 19
			33	
			34/8	0 - 08
			10	1 - 18
				45- 00

Sd/-  
Sub-Divisional Officer  
(Land Acquisition Officer)  
Dholpur (Dist. Bharatpur)

Annexure-II

**HI-TECH PRECISION GLASS LIMITED**

(A Government of Rajasthan Undertaking)

4th Floor,  
Nehru Sahkar Bhawan,  
Bhawani Singh Road,  
Jaipur-302006

**A. Fixed Assets (Non current Assets - Tangible)  
Except Land at HPGL as on 31-03-2012**

S.No.	Assets	Amount (In Rs.) W.D.V.
01.	Building	7622.00
02.	Well	1367.00
03.	Plant & Machinery	812.00
04.	Oil Storage Tank	158.00
05.	Weighting Scale	20.00
	<b>TOTAL</b>	<b>Rs. 9979.00</b>

## Articles of Association

**ARTICLES OF ASSOCIATION**  
**OF**  
**RAJASTHAN STATE GANGANAGAR SUGAR MILLS LIMITED**

**1. PRELIMINARY**

1. The marginal notes hereto shall not affect the construction hereof, in these presents, unless there be something in the subject or context inconsistent therewith:-

INTERPRETATION

"The Company" means Rajasthan State Ganganagar Sugar Mills Limited.

"The Act" means the Companies Act, 1956 and any amendments thereto.

"State Government" means the Government of Rajasthan.

"Governor" means the Governor of the State of Rajasthan.

"Special Resolution" and "Resolution requiring Special Notice" have the meanings assigned thereto respectively by the Act.

"The Directors" means, the Directors for the time being of the company including Ex-officio and Debenture Director.

"The Director-In-Charge" means a whole time or part-time Director to be in charge of the affairs of the Company.

"Technical Director" means a Director who shall look into the technical affairs of the Company.

"Nominated Director" means a Director nominated by the Governor of the State, Debenture Holders or any Financing Institutions such as Rajasthan Financial Corporation, Industrial Finance Corporation of India etc.

"Associate" and "Relative" respectively have the meaning assigned thereto by the Act.

"Board" means the Director of the Company collectively referred to.

"The Office" means the registered office for the time being of the Company.

"The Register" means the register of members to be kept pursuant to the Act.

"The Seal" means the common seal of the Company.

"Dividend" includes bonus to share holders.

"Shareholders" means the duly registered holder from time to time of the shares of the Company.

"The Chairman" means the Chairman of the Board of Directors for the time being of the Company.

"Proxy" means an instrument whereby any person is authorised to vote for a shareholder at a General meeting or a poll.

"Month" means Calendar month.

"In writing" and "Written" include printing, lithography and other modes of representing or reproducing work in visible form.

Words importing the singular number only, include feminine gender.

Words importing persons include corporations.

Table A not to apply

2. The regulations contained in Table A in the first schedule to the Companies Act, 1956 shall not apply to the Company, except so far as the same are repeated or contained in or expressly made applicable by these articles or by the Act.

Location of Registered Office

3. The registered office of the Company shall be located at such place in the city of Jaipur or elsewhere as the share-holders may from time to time determine.

## II. CAPITAL

### 1. SHARES

\*Authorised Share Capital

4. The authorized Shares Capital of Company be as follows:-

3,96,00,000	Ordinary Shares of Rs. 50/- each.	1,98,00,00,000
2,00,000	12% 10 Years Redeemable preference Share of Rs. 50/- each	1,00,00,000
2,00,000	11% 10 Years Redeemable preference Shares of Rs. 50/- each	1,00,00,000
4,00,00,000		2,00,00,00,000

Issue of Redeemable Cumulative Preference Shares

5. A part of the said capital may be issued as redeemable cumulative preferences shares on such terms and conditions including the rate of preferential dividend, the option as to redemption by the Company as the Directors at the time of issue thereof may determine subject to and in accordance with the provisions of the Act and with prior approval of the Governor in that behalf.

Allotment of Shares

6. The Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property sold transferred, goods or machinery supplied or for services rendered to the Company in or about formation or promotion of the Company or the conduct of its business and any shares which may be so allotted, may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.

Acceptance of Shares

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

Deposit to be a debt payable immediately

8. The money (if any) which the directors shall on the allotment of any shares by them require or direct to be paid by way of deposit call or otherwise shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the Allottee thereof, and shall be paid by him accordingly.

Liability of Members

9. Every member or his executors or administrators shall pay to the Company a proportion of the capital represented by his share or shares which may for the time being have remained unpaid thereon, in such amounts, at such time or times in such manner as the Directors shall from time to time in accordance with the Company's regulations require.

Note: (\*) Raised from Rs. 1 crore to Rs. 2.5 crore in EOGM held on 14.6.1977 from Rs. 2.50 crore to Rs. 5.00 crore in AGM held on 28.3.1983, from Rs. 5.00 Crore to Rs. 30.00 Crore in AGM on 29.09.2010, from Rs. 30.00 Crore to Rs. 65.00 Crore in EOGM held on 03.10.2012 & from Rs. 65.00 Crore to Rs. 200.00 Crore in AGM held on 26.09.2014.



10. Except as provided in the Act, none of the funds of the Company shall be employed in the purchase of or lent on the security of shares of the Company.

Shares of the Company not to be purchased out of the funds of the Company

11. (A) Subject to the provisions of Section 76 of the Act, it shall be lawful for the Company to pay a commission to any person in consideration of his subscription or agreeing to subscribe, whether absolutely or conditionally, for any share or debentures of the Company or procuring or agreeing to procure subscriptions whether absolute or conditional for the same provided always that such commission paid or agreed to be paid in respect of shares shall not exceed 5% of the price at which shares are issued and 2½% of the issue price of debentures in each case subscribed or to be subscribed.

Commission

11(B) The Company may pay a reasonable sum not exceeding 2½ % as brokerage, on the issue of shares.

Brokerage

12. The shares shall (subject to the provisions of the Act) 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 either at a premium or at par or (subject to the provisions of the Act) at a discount and at such times as the directors think fit. Any premium received on issue of shares shall be transferred to an account called 'Share Premium Account' and except as allowed by Section 78 of the Act, shall be treated as paid up Capital of the Company.

Allotment of Shares

#### INTEREST OUT OF CAPITAL

13. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for a lengthy period, the company may pay interest on so much of that share capital as it is for the time being paid up for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work of building or the provision of plant.

Payment of interest out of Capital

14. The Company may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls.

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

Instalments on Shares to be duly paid

16. The amount payable on application on each share offered for subscription shall not be less than 5% of the nominal amount of the share.

Amount payable on application

17. Save as, herein, otherwise provided, the Company shall be entitled to treat the person whose name appears upon the register as the holder of any share as the absolute owner thereof and shall not, except as ordered by a Court of competent jurisdiction or as by law required, be under any obligation to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof.

Trust not recognised

18. Shares may be registered in the name of an incorporated company or other corporate body, but not in the name of a minor or person of unsound mind or in the name of any firm or partnership.

In whose names shares may be registered

Notice of change of name of address or of marriage of Members

19. No Member who shall change his name or address or who being a female shall marry, or the husband of any such last member respectively, shall be entitled to recover any dividend or to vote, until notice of the changes of name or address, or of marriage, be given to the Company, in order that the same be registered.

Sub-division and consolidation of Shares

20. The Company may also by an ordinary resolution in the General Meeting increase, sub-divide or consolidate its shares or any of them.

## (2) CERTIFICATES

Certificates

21. Every share certificate shall be issued under the seal of the Company which shall be affixed in the presence of two directors and of the Secretary or some other person appointed by the Board for the purpose and the two directors and the Secretary or the other person shall sign such share certificates. Every certificate shall specify the number and denoting number of the share in respect of which it is issued and the amount paid up thereon. All certificates for shares shall be ready for delivery within 3 months of allotment unless the conditions of issue of shares provides otherwise.

Member's Right to Certificates

22. Every member shall be entitled to one certificate for each class of shares registered in his name, or to several certificates at the discretion of the directors for his part holdings but if he shall require more than one certificate he shall pay prescribed fee not exceeding Re. 1/- per certificate in respect of each additional certificate as the directions may from time to time determine.

As to issue of new Certificate in place of one defaced, lost or destroyed

23. If any certificate be worn out or defaced, then upon production thereof to the directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the directors, and on such indemnity as the directors deem adequate being given a new certificate in lieu thereof may be given to the party entitled to such lost or destroyed certificate. For every such new certificate there shall be paid to the Company the sum of Re. 1/- or such smaller sum as the directors may determine.

New Certificate in place of one not surrendered

24. When any shares under the powers in that behalf in these Articles herein contained are sold by the directors and the certificate thereof has not been delivered upon the Company by the former holder of the said shares the directors may issue a new certificate for such shares on payment of charges mentioned in preceding Articles distinguishing it in such manner as they may think fit from the certificate not delivered up.

## 3. JOINT-HOLDERS OF SHARES

25. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint holders with benefit of survivorship subject to the following provisions:

Maximum number

a) The Company shall not be bound to register more than four person as the holders of any share, except in case of transmission of shares on death of a member.

Liability Several as well as Joint

b) The joint-holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such shares.

Survivors of Joint-holders only recognised

c) On the death of any one of such joint-holders the survivor or survivors shall be the only person or persons recognised by the

Company as having any title to such share, but the directors may require such evidence of death as they may deem fit.

- d) Any one of such joint-holders may give effectual receipts for any dividend payable to such joint-holders.
- (e) Only the person whose name stands first in the register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint-holders.

Receipts

#### 4. CALLS

26. The Board of Directors may from time to time (subject to the terms on which any shares may have been issued) make such calls as they think fit upon the members in respect of all money unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the directors. A call may be made payable by installments. Calls shall be made on uniform basis on all shares falling under the same class as provided in section 91 of the Act.

Calls (Sec. 91)

27. A call shall be deemed to have been made at the time when the resolution of the directors authorised such call was passed.

When call deemed to have been made

28. Not less than fourteen clear days notice of any call shall be given specifying the time and place of payment and to whom the same shall be paid.

Notice of call

29. (i) If a sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 5 percent per annum from the day appointed for the payment thereof to the time of actual payment or at such lower rate as the directors may determine.

When interest payable on call or instalment

(ii) The directors may at their absolute discretion waive the claim to interest in special cases.

30. If by the terms of the issue of any shares or otherwise any amount is made payable at any fixed time or by installments at any fixed times whether on account of the amount of the shares or by way of premium, every such amount or instalment shall be payable when due as if it were a call duly made by the directors and of which due notice had been given and shall be paid to the Company by the person who for the time being shall be the registered holder of the shares and all provisions hereof with respect to the payment of calls and interest thereon or to the forfeiture of shares for non-payment of calls shall apply to every such amount or instalment and the shares in respect of which it is payable.

Calls by instalment

Installments to be treated as calls

31. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called for and upon the money so paid in advance or so much as from time to time exceeds the amount of calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, without the sanction of the Company in General Meeting, 3% per annum as the member paying such sums in advance and the directors agree upon. Money so paid in excess of the amount of calls shall not

Payment of calls in advance



rank for dividends and until appropriated towards satisfaction of any call shall be treated as loan to the Company and not as part of its capital and shall be repayable at any time if the directors so decide.

Evidence in suit  
for calls

32. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member is entered in the register as the holder or one of the holders of the shares in respect of which such claims is made, and that the amount claimed is not entered as paid in the books of the Company, that the notice of the resolution making the call has been duly recorded in the minute book, and that notice of such call has been duly given to the member sued in pursuance of these presents, and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of the directors was present in the Board meeting at which meeting any call was made nor that the meeting at which any call was made was duly convened and constituted nor any other matter whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Application of  
money due to  
shareholders  
towards unpaid  
calls

33. Any money due from the Company to a share-holder either for Interest, dividend or bonus or otherwise howsoever, may without the consent of the shareholder be applied by the Company in or towards the payments of any money due from him to the Company for calls, whether presently payable or not, called or payable at a fixed time or otherwise.

#### 5. LIEN ON SHARES

Company's lien  
on Shares

34. The Company shall have a first and paramount lien upon all the shares (other than fully paid shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagement solely or jointly with any other persons to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing that Article 12 thereof is to have full effect. And such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such share.

As to enforcing  
lien by Share

35. For the purpose of enforcing such lien, the directors may sell the shares subject thereto in such manner as they think fit, but no such sale shall be made unless the sum in respect of which the lien exist is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or other legal representative and default shall have been made by him or them in the payment, fulfillment or discharge of such debts, liabilities or engagements for 14 days after such notice.

Application of  
Proceeds of sale

36. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards satisfaction of such debts, liabilities or engagements and the residue (if any) paid to such member, his executors, administrators or assigns.

#### 6. FORFEITURE

If call or  
instalment  
not paid notice  
may be given

37. If any member fails to pay any call or instalment by the day appointed for the payment of same, the directors may at any time thereafter during such time as the call or instalment remains unpaid serve a notice on such member requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

38. The notice shall name a further day (not being less than 14 days from the date of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

Form of notice

39. If the requisition of the notice as aforesaid be not complied with, any shares in respect of which such notice has been given may at any time thereafter and while the calls or installments interest and expenses shall remain unpaid be forfeited by a resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

If notice not complied with shares may be forfeited

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

Notice after Forfeiture

41. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

Effect of forfeiture

42. A duly verified declaration in writing that the declarant is a director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all person claiming to be entitled to the shares and such declaration, and the receipt of the Company for the consideration if any given for the shares or the sale or disposal thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposal.

Evidence of forfeiture

43. Any share and dividends so forfeited shall be the property of the Company and the Directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit.

Forfeited Shares to become property of Company

44. The directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

Annulment of forfeiture

45. Any member whose shares have been forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at 5 percent per annum and the directors may enforce the payment thereof or any part thereof if they think fit but shall not be under any obligation so to do. The liability of such persons shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

Arrears to be paid notwithstanding forfeiture

46. Upon any sale after forfeiture or surrender or for enforcing a lien in purported exercise of the power hereinbefore given, the Directors may themselves or through some persons duly authorised in that behalf execute an

Validity of sales after forfeiture or surrender or exercise of lien

instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the register in respect of the shares the validity of the sale shall not be impeached by any person and he shall be entitled to a certificate of title to such shares and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

## 7. SURRENDER OF SHARES

Surrender of  
shares  
(Sec. 77 & 145)

47. The Directors may accept a surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof or in any other case allowed by law.

## 8. TRANSFER OF SHARES

Register of  
Transfers

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

Execution of  
instrument of  
transfer etc.  
(Sec. 108)

49. No transfer shall be registered unless a proper instrument of transfer duly stamped and executed as hereinafter stated has been delivered to the Company along with relative share certificate or if no such certificate is in existence, along with the letter of allotment except as provided in the Act. The instrument of transfer of any share in the Company shall be signed by or on behalf of the transferor and by or on behalf of the transferee and shall contain the name and address and occupation, if any, of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation. An application for the registration of a transfer of share or other interest of a member in the Company may be made either by the Transferor or by the Transferee. Where the application is made by the Transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the Transferee by registered post as required by the Act and the Transferee makes no objection to the transfer within two weeks from the receipt of the notice.

Forms of  
Transfer

50. The instrument of transfer of any share shall be in writing in the usual common form or in the following form or as near thereto as circumstances will admit.

'I, AB of..... in..... consideration of the sum of Rs..... paid to..... me by CD of..... (hereinafter called the said transferee) do hereby transfer to the said transferee share (or shares) numbered.....to..... (inclusive) in..... the undertaking called Rajasthan State Ganganagar Sugar Mills Ltd., to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same immediately before the execution hereof and I the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.'

As Witness our hands the day of .....  
witness to the signature ..... of, etc.

Refusal to  
register transfer

51. The directors may subject to the right of appeal conferred by Section 111 of the Act without assigning any reason decline to register any transfer of shares not fully paid up or of shares on which the Company has a lien.

52. No transfer shall be made to an infant, insolvent or person of unsound mind or to a firm in its firm's name (or partnership).

Transfer to infants

53. Whenever application for the transfer of partly paid-up shares will be made, the Directors shall comply with sections of the Act.

Transfer of partly paid up shares

54. Every instrument of transfer shall be left at the office of the Company for registration accompanied by the certificate of the shares or letter of allotment for shares to be transferred and such other evidence as the directors may require to prove the title of the transferor or his right to transfer the shares. The instrument of transfer shall unless the directors decline to register it, be retained by the Company. The Directors may waive the production of any certificate upon evidence satisfactory to them of its loss or destruction.

Transfer to be left at office and evidence given

55. The transfer book and register of members and debenture holders may (on due notice being given as required by the Act) be closed during such times as the directors think fit not exceeding in the whole 45 days in each year nor 30 days at a time.

Closing of transfer books and register

56. The certificates for shares or debentures shall be ready for delivery within 2 months after the application for the registration of the transfer unless the condition of issue provides otherwise.

57. A fee not exceeding two rupees may be charged for the registration of each transfer and or each registration or transmission under the Transmission Article and shall, if required, be paid before registration.

Fees for Registration

58. If, in pursuance of any of the aforesaid clauses, the Company refuses to register any such transfer or refuses to register transmission of right as hereinafter provided, it shall within 2 months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be was delivered to the Company, send notice of the refusal to the transferee and the transferor or to person giving intimation of such transmission, as the case may be.

## 9. TRANSMISSION OF SHARES

59. In the case of the death of a shareholder the survivor or survivors where the decease was a joint-holder and the executors or administrators (acting under a grant having effect throughout the State of Rajasthan) of the deceased or the holder of a succession certificate in respect of the shares registered in the name of the deceased, where he was a sole holder (Whether he was a member of Hindu Joint Family or not) shall be the only persons that the Company shall be bound to recognise as having any title to his shares, but nothing herein contained shall release the estate or a deceased joint-holder from any liability in respect of any share jointly held by him.

Transmission on death

60. Subject to any other provisions of these presents any persons becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence as to his title being produced as may from time to time be required by the directors in their absolute discretion, consider sufficient and subject as herein after provided, either be registered himself as holder of the share or may subject to the regulations as to transfer, hereinbefore contained, transfer such shares. The Article is in these Articles referred to as the 'Transmission Article'.

Registration of Executors and trustees in insolvency

61. Subject to any other provisions of these presents, person becoming entitled to a share in consequence of the death or insolvency of a member shall be entitled to receive and give a discharge for any dividends or other moneys

Rights of unregistered executors and trustees

payable in respect of the share but shall not be entitled to vote at meetings of the Company or (save as aforesaid) to any of the right or privileges of a member until he shall have become a member in respect of the share.

Copies of Memorandum and articles of Association to be furnished by Directors

62. Copies of the Memorandum and Articles of Association of the Company shall be furnished by Company to every shareholder at his request on payment of a sum of Rupee one for each copy.

#### **RESERVE, DEPRECIATION AND OTHER FUNDS**

Reserve Fund

63. The directors may from time to time set apart any such portion of the profits of the Company as they think fit as a Reserve Fund applicable at their discretion for the liquidation of any debentures, debts or other liabilities of the Company, with full powers to comply the assets constituting the Reserve Fund in the business of the Company and that without being bound to keep the same separate from the other assets.

Depreciation Fund

64. The directors may from time to time set part any and such portion of the profits of the Company as they think fit as a Depreciation Fund applicable at their discretion for repairing, altering and keeping in good condition the property of the Company or for such other purposes as may be thought conducive to the interests of the Company, with full power to employ the assets constituting such depreciation funds in the business of the Company and that without being bound to keep the same separate from the other assets.

Investment of money not immediately required

65. All money carried on to the Reserve Fund and Depreciation Fund, respectively, shall nevertheless remain and the profits of the Company applicable subject to the provisions beings made for actual depreciation or less, for the payment of dividends, and such moneys and all money of the Company not immediately required for such purposes of the Company may be invested by the directors in or upon such of the investments or securities authorised by sub-clause (11) of Article No. 156 hereof, or the moneys may be used as working capital or be kept at any Bank on deposit, or otherwise as the directors may think proper.

Maintenance Fund

66. The directors may from time to time set apart any portion or the income of the Company to establish and maintain a fund for the purpose of making contributions towards the maintenance and support of any institution, society and club which may be formed for the benefit and convenience of the agents, ex-agents, employees, or ex-employees of the Company or the dependents or connections of such persons and of granting such pensions, allowance, gratuities and charitable aids to any person or persons who have served the Company or the widows, children and dependents of such persons as aforesaid as the directors in their absolute discretion think just and proper.

Rules regarding Provident Fund etc.

67. The directors may make rules and regulations concerning the workers welfare fund or provident fund and may invest or use the surplus fund in such securities or in such other ways as may be authorised by the law for the time being in force.

#### **10. ALTERATION OF CAPITAL**

Power to Consolidate Shares  
Power to Cancel Shares

68. The Company may in General meeting by an ordinary resolution:-

- a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- b) 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, and diminish the amount of its capital by the amount of the shares so cancelled.

- 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 shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the subdivision the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as its was in the case of the share from which the reduced share is derived.

Power to  
Subdivide Shares

69. The Company may from time to time, by special resolution reduce its capital, any Capital, Redemption Reserve Fund or any share premium amount in the manner authorised by the Act.

Reduction of  
Capital

### 11. INCREASE OF CAPITAL

70. The Company by an ordinary resolution passed in General Meeting may from time to time, increase its capital by the creation of new shares of such amount as may be deemed expedient and issue them upon such terms and conditions and with such rights and privileges (Subject to the provisions of the Act) annexed thereto as the resolution may prescribe.

71. When with a view to increase the capital any new shares shall be issued, then subject to any direction to the contrary, which may be given by the Company in General Meeting, they shall be offered in the first instance either at par or at a premium or (Subject to the provisions of the Act) at a discount as may be decided upon by the resolution authorising the issue of the shares to all the then existing holders of ordinary shares in proportion as nearly as the circumstances admit to the capital paid upon these shares at that date and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting the time not less than 15 days from the date of offer within which the offer if not accepted, will be deemed to be declined. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the share offered to him or any of them in favour of any other person and the notice referred to above shall contain a statement of this right. After the expiration of such time or as to the shares of any particular member on the receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the directors may dispose of the same in such manner as the Governor may direct. The directors may like wise 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.

When to be  
offered to  
Existing  
Members.

72. Except so far as otherwise provided by the Conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original ordinary capital and shall be subject to the provision herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

How far new  
share to rank  
with original  
shares.

### 12. MODIFICATION OF RIGHTS

73. 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 Sections 106

Rights of various  
Classes may  
be altered

and 107 of the Companies Act 1956 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 resolution under Sec. 106 (1) (b) of the Act passed at a separate General Meeting of the holders of the shares of that class. To every such Separate General Meeting the provision of these Articles relating to General Meeting 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 question. The right 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 to that class, be deemed to be varied by the creation or issue of further shares ranking PARIPASSU therewith.

### III. BORROWING POWERS

Director power  
to borrow

74. The directors may from time to time raise or borrow any sum or sums of money not exceeding the aggregate of the paid up capital or the Company and its free reserve, that is to say, reserves not set apart for any specific purpose (apart from temporary loans obtained from its bankers in the ordinary courses of business) for the purposes of the Company and from any persons, banks, firms or companies (expressly including any person holding the office of directors of the managing agent) and may secure the payment of such moneys 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 debenture stock of the Company perpetual or redeemable or by making, drawing, accepting or endorsing on behalf of the Company or promissory notes or bills of exchanges or giving or issuing any other security of the Company or by mortgage or charge of all or any of the property of the Company both present and future including its uncalled capital for the time being.

Securities may be  
assignable free  
from equities.

75. The Board of Directors shall not except with the consent of the Company in General meeting borrow any sum or sums of moneys in excess of the limitation as set forth in article 74.

Issue at a  
discount or  
premium.

76. Debentures and other securities may be made assignable free from any equities between the Company and the persons to whom the same may be issued.

77. Subject to the provisions of the Act and approval of the Governor any debentures or other securities may be issued at a discount, premium or otherwise and with any special privilege as to redemption, surrender, drawing allotment of shares, attending at General Meeting of the Company appointment of Directors or otherwise.

Register of  
mortgage to be  
kept

78. The directors shall cause a proper register to be kept in accordance with Section 143 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 125 to 144 of the Act, in regard to the registration of mortgages therein specified and otherwise.

Mortgage of  
Uncalled Capital

79. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the directors may, by instrument under the Company's seal, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him, to make call on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall, mutatis mutandis apply to calls made under such authority, and such authority may be made exercisable either conditionally or unconditionally, and either presently or contingently and either to the exclusion of the directors powers or otherwise, and shall be assignable if expressed so to be.

## **IV GENERAL MEETINGS**

### **(1) CONVENING OF MEETINGS**

80. An Annual General Meeting shall be held every year by the Company but within six months after the expiry of each financial year. Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Every such meeting shall be called for at a time during business hours, on a day that is not a public holiday and shall be held either at the registered office of the Company or at some other place within the city on which the registered office is situated and the notice calling the meeting shall specify it as the Annual General Meeting. All other meeting of the company shall be called extra-ordinary General Meetings.

General Meetings

81. The directors may whenever they think fit and they shall on the requisition of such number of members of the Company as hold at the date of the deposit of the requisition, not less than one tenth of such of the paid up capital of the Company as at that date carries the right of voting, forthwith proceed to call an Extraordinary General Meeting of the Company and in this regard, the provisions of section 169 of the Companies Act, 1956 shall have full effect.

When extraordinary meeting to be called

82. In the case of the Extra-Ordinary Meeting called in pursuance of a requisition no business other than that stated in the requisition as the object of the meeting shall be transacted.

Business at Meeting called by requisition

83. A General Meeting of the Company may be called by giving not less than 21 days notice in writing. Every notice of meeting shall specify the place, the day, the hour of the meeting and shall contain a statement of the business to be transacted thereat. Notice of every meeting of the Company shall be given to the member, and to persons entitled to a share in consequence of the death or insolvency of a member and to the Auditor or the Auditors of the Company for the time being as required by section 172 of the Companies Act, 1956. A meeting may be called after giving short notice in the manner provided in the Section 171 of the Companies Act, 1956. Where it is proposed to pass a special resolution or a resolution requiring special notice the provisions of section 189 and 190 respectively of the Act shall be duly complied with.

Notice of Meeting

84. Accidental omission to give notice to, or the non receipt of notice by, any member or other person to whom it should be given shall not invalidate the proceeding at the meeting of any resolution passed thereat.

As to omission to give Notice.

### **(2) PROCEEDING AT MEETING**

85. In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception of the business relating to (i) the consideration of Accounts, Balance Sheet, and the reports of the Board of Directors and Auditors, (ii) to declaration of a dividend, (iii) appointment of directors in the place of those retiring, and (iv) the appointment of and fixing of the remuneration of the Auditor. All business to be transacted at an Extra-Ordinary General Meeting shall be deemed special. Where any business to be transacted, at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature and extent of the interest if any, therein of every director, the Secretaries and Treasurers if any, and the Manager if any. Where any item of business consists of the According of the approval to any documents by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

Business of Annual General Meeting.



No business to be done while chair vacant.

No business to be done unless quorum is present.

Quorum.

Adjournment for want of quorum.

Chairman.

Adjournment with consent of meeting.

How questions to be decided at the meeting.

What is evidence of passing of resolution.

How a poll is to be taken.

86. No business except the choice of a Chairman shall be transacted or discussed at the General Meeting while the Chair is vacant.

87. No business shall be transacted at any General Meeting unless the quorum requisite is present at the commencement of the business.

88. Five members present in the person shall be a quorum in General Meeting for all purpose.

89. If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved. In any other cases, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be quorum, and may do all business which a full quorum, might have done.

90. The Chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, the members present shall choose another director as Chairman, and if no director be present or if all the directors present decline to take the Chair, then the members present shall choose one of the members to be Chairman.

91. The Chairman of a General Meeting may with the consent of the meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the same 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. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, provided, however, fresh notice will be necessary in case the adjournment exceeds 30 days.

92. At any General Meeting, a resolution put to the Vote of the meeting shall, unless a poll is demanded, be decided on a show of hands. In the case of an equality of votes, whether on a shows 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 in addition to the vote or votes, to which he may be entitled as a member.

93. At any General meeting unless a poll is demanded as hereinafter set forth a declaration by the Chairman that a resolution has been carried or carried unanimously or carried by a particular majority or lost or not carried by a particular majority, and an entry to that effect in the minutes of the proceedings of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes given for or against such resolution.

94. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, i.e.:-

- a) By at least 5 members having the right to vote on the resolution and present in person or by proxy.

- b) By any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution. or
- c) By any member or members present in person or by proxy, and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all the shares conferring that right.

95. A poll demanded on a question of adjournment shall be taken forthwith. If a poll is demanded on the election of the chairman, it shall be taken forthwith in accordance with the provisions of the Companies Act, 1956 the Chairman elected on a show of hands exercising all the powers of the Chairman. If another person is elected Chairman as a result of the poll, he shall be the Chairman of the rest of the meeting. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. A poll demanded on any other question (not being a question relating to the election of the Chairman or a question of adjournment) shall be taken at such time not being later than forty eight hour from the time when the demand was made, as the Chairman shall direct. The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.

Poll without  
adjournment

In taking a poll the Chairman shall appoint two scrutineer and otherwise comply with the provisions of section 184 of the Companies Act, 1956.

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

Business may  
proceed  
notwithstanding  
demand or polls

97. On a poll taken at a meeting a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same ways all the votes he has.

98. Where a resolution is passed at an adjourned meeting of the company or the holders of any class of shares in the company or the Board of Directors of the company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

99. The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of its Board of Directors or of Committees of the Board, to be entered in books kept for that purpose as per Section 193 of the Act. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. All appointments of officers made at any of the meetings shall be included in the minutes of the meetings. In the case of the meetings of the Board of Directors or of a Committee of the Board, the minutes shall also contain (a) the name of the Directors present at the meeting and (b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution. Nothing herein contained shall be deemed to require the inclusion in any such minute of any matter which in the opinion of the Chairman of the meeting is, or could reasonably be regarded as, defamatory of any person or is irrelevant or immaterial to the proceedings or is detrimental to the interest of the Company. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified above. Any such minute if purporting to be

Minutes of  
General Meeting

signed by the Chairman of the meeting at which the proceedings took place or by the Chairman of the next succeeding meeting shall be evidence of the proceedings.

100. Where minutes of the proceeding of any general meeting of the Company or of any meeting of its Board of Directors have been made and signed in accordance with the provisions of the preceding clause, then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular, all appointments or directors or liquidators made at the meeting shall be deemed to be valid.

101. The minute books containing minutes of the General Meeting of the Company shall be kept at the Registered Office of the Company and shall be open to inspection of any member without charge between 10AM to 12 Noon on every working day. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minute of the proceedings of any General Meeting of the Company on payment of such charges as laid down in section 196 of the Act.

Chairman's  
decision  
conclusive.

102. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the chairman of a meeting on all points or order shall be final.

### (3) VOTES OF MEMBERS

Votes of  
Members  
(Sec. 87)

103. Upon a show of hands every member present in person or by attorney or in the case of a corporation, a representative appointed under the provision of the Act and entitled to vote shall have one vote and upon a poll every member present in person or by proxy or attorney or by a representative as aforesaid and entitled to vote shall have one vote for every ordinary share held by such member. Except as provided by the Act the holder of Preference share shall have no right of voting.

Voting in case  
of Lunatics.

104. If any member be of unsound mind, he may vote by his legal appointed Committee or manager or other legal curator of his estate.

Voting in case  
of Joint members.

105. Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy or attorney in respect of such shares as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by proxy or attorney, that one of the said persons so present whose name stands prior order in the register in respect of such shares shall alone be entitled to vote in respect thereof.

Mode of voting.

106. Votes may be given either personally or by proxy or by attorney or by representative appointed under the provisions of section 187 of the Act.

Who may be  
proxy or  
attorney.

107. Any member of a Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll. A Corporation being a member of the Company may appoint its representative any person whether a member of the Company or not and that person authorised by resolution as specified in section 187 of the Act shall be entitled to exercise the same rights and powers including the right to vote by proxy on behalf of the body corporate which he represents as that body could exercise if it were a member of the Company. An Attorney of a member under power of Attorney need not himself be a member.

108. (i) The Governor, so long as he is a shareholder of the Company, may from time to time, appoint one or more persons (who need not be member or members of the Company) to represent him at all or any meetings of the Company.

Appointment of the representative of the Governor.

(ii) Any one of the persons appointed under (i) above who is personally present at the meeting shall be deemed to be a member entitled to vote and be present in person and shall be entitled to represent the Governor at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.

(iii) The Governor may from time to time, cancel any appointment made under (i) above and make fresh appointments.

(iv) The production at the meeting of an order of the Governor evidenced as provided in the constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation

(v) Any persons to be appointed by the Governor may, if so authorised by such order, appoint a proxy whether specially or generally.

109. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint proxy and that a proxy need not be a member. The name of a proxy in any proxy form issued by the Company shall be kept blank and no invitation, to appoint as proxy a person or one of number of persons specified in the invitation, be issued to any member at the Company's expense.

110. Every member entitled to vote at a meeting of the Company or on any resolution to be moved thereat shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company provided not less than 3 days notice in writing of the intention so to inspect is given to the Company.

111. The instrument appointing an attorney or a notarially attested copy thereof and the instrument appointing a proxy and the power-of-attorney of other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote unless in the case of a power of attorney it has already been registered in the books of the Company and in default of such deposit or prior registration such instrument shall not be treated as valid.

Authority to be deposited at office.

112. A vote given in accordance with the terms of a power of Attorney or of an instrument of proxy shall be valid notwithstanding the previous death of a principal or revocation of the power or instrument or the transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation of transfer shall have been received at the office before the meeting.

When vote valid although authority revoked.

113. The instrument appointing a proxy shall be in writing and signed by the appointor or his attorney duly authorised in writing or if the appointor as a Body Corporate be under its seal or be signed by an Officer or an authority duly authorised by it and shall be as nearly as circumstances will admit, in the form as specified in schedule IX of the Act.

Form of instrument of proxy.

114. No member shall exercise any voting in respect of any share registered in his name on which any calls or others sums presently payable by him have not been paid or in regard to which the Company has and has exercised, any right or lien.

Members Debarred from voting etc. while call due.

Validity of vote.

115. No objection shall be taken to the validity of any vote except at the meeting or poll at which vote shall be tendered and every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purposes.

## V. BOARD OF DIRECTORS

### (1) GENERAL PROVISIONS

Number of Directors

116. The number of directors shall not be less than six nor more than fifteen. An increase in the number of directors beyond the maximum fixed herein shall have no effect unless approved by the Company in the General Meeting and Central Government. No Body Corporate, Association or firm shall be appointed directors of the Company.

117. While any money remains due under any debenture secured by Debenture Trust Deed or Deeds executed by the Company under which the Government is the trustee under the said Debenture Trust Deed or Deeds or under any Deed of Mortgage and or, Deed of Hypothecation by the Company in favour of the Government the said Government shall have and exercise the following right and powers:-

(i) To appoint from time to time any person or persons to be a director or directors of the Company but so that not more than two persons shall at any time hold office by virtue of appointment made under this article.

Any person so appointed may at any time be removed from office by the said Government who may from the time of such removal or, in case of death or resignation of the person appointed, appoint any other or others in his place. Any such appointment or removal shall be by writing signed by the Government and served on the Company.

(ii) The directors appointed by the Government need not possess any share qualification as prescribed by these articles and the provisions of these articles as to retirement of directors by rotation shall not apply to them.

117A. While any money remains due under any loan from IDBI/IFCI or any other Financial Institution, the Said IDBI/IFCI or any other Financial Institution shall have and exercise the following rights and powers :-

(i) To appoint from time to time any person or persons to be a director or directors of the company but not more than two persons shall at any time from each institution and not more than four persons in all shall hold office by virtue of an agreement between the Financial Institution and the Company. Any person or persons so appointed may at any time be removed from by the said financial Institution which may from the time of such removal or in case of death or resignation of the person appointed, appoint any other or owners in his or their place. Any such appointment or removal shall be in writing by the Financial Institution and secured on the Company.

(ii) A director appointed by the Financial Institutions may not possess any share qualification as prescribed by these articles. Such Directors shall not be liable to retire by rotation.

Appointment of Alternate Director.

118. A director who is out of India or about to go out of India, may with the approval of the directors by notice in writing under his hand, appoint any other qualified person to be an alternate director during his absence out of India and such appointment shall have effect and such appointee, whilst he holds office as

an alternate director, shall be entitled to notice of meeting of the directors and to attend and vote thereat accordingly, but shall ipso facto vacate office, if and when the appointor returns to India or vacates office as a director or removes the appointee from office by notice in writing under his hand.

119. Until resolved to the contrary by the Company in General Meeting the qualification of a director other than Government/Ex-Officio director or Debenture director or Technical or Expert director shall be the holding of one share in the Company of the face value of Rs. 50/- only.

Qualification of Directors.

120. Until otherwise determined by the Company in General Meeting and sanctioned by the Central Government the remuneration of each director including Managing Executive, Technical and nominated directors shall be to receive out of the funds of the Company a sum not exceeding rupees \*2000/- for each meeting of the directors of a Committee of Directors at which he shall be present. The Company may allow and pay to any director including Managing Executive, Technical and Nominated Directors such sums as the directors may consider, fair compensation for his expenses in connection with his attending and returning from a Meeting of the Board of Directors or any Committee thereof of the Company or in connection with the business of the Company. The Company in general meeting may sanction payment of remuneration on monthly basis to the Managing Director/Director Incharge.

Remuneration of Directors.

121. The continuing directors may act notwithstanding any vacancy in the body but so that if the number falls below the minimum, above fixed, the directors shall not except for the purpose of filling vacancies or for summoning General Meeting act so long as the number is below the Minimum.

Continuing Directors may act.

122. Nothing in these Articles shall be taken to prejudice the operation of any rule of Law restricting a director of the Company from having any concern or interest in any contract or arrangement with the Company provided there is proper disclosure of interest as required by section 299 of the Companies Act, 1956.

Directors may contract With Company

## **(2) VACATION OF OFFICE BY DIRECTORS.**

123. The Office of the Directors shall be vacated on the happening of the contingencies as laid down in Section 283 of the Companies Act, 1956.

Section 283.

## **(3) APPOINTMENT & REMOVAL OF DIRECTORS**

124. The Ex-Officio Directors on behalf of the Government shall be nominated by the Governor in such number and for such period as he may determine.

125. The Governor shall have the power to remove any ex-officio director appointed by him from office at any time in his absolute discretion. Any vacancy in the office of such ex-officio director caused by removal, resignation, death or otherwise shall be filled by the Governor by fresh appointment.

126. A person who is not a retiring director shall not be capable of acting as a director of the Company unless he has signed and filed with the Registrar within such time as provided in Section 264 of the Act a consent in writing to act as such director. The Company may in General Meeting but Subject to the provisions of Companies Act, 1956 at any time elect any person to be a director and from time to time, subject to the approval of the Governor, increase or reduce the number of directors within the limits fixed by these articles.

Appointment of Directors.

---

\* Amended as Rs. 2000/- as approved in Extra Ordinary General Meeting held on 03.10.2012 (BOD's meeting dated 21.09.2012).



Power to remove  
Directors by  
Ordinary  
Resolution

127. Subject to the provisions of the Act, the Company may by ordinary resolution remove any director other than a Managing or Executive or Technical Director or a Director appointed by the Rajasthan Financial Corporation and Industrial Finance Corporation of India or any other financing institution or a director nominated by the Central and/or State Government, if any, before the expiration of his period of office and may by an ordinary resolution appoint any other person in his stead as provided in Section 284 of the Companies Act, 1956.

Casual Vacancy  
may be filled by  
the Board.

128. Subject to the provisions of Companies Act, 1956 the directors shall have power at any time and from time to time in consultation with the Government to appoint any person duly qualified to be a director of the Company either to fill a casual vacancy (other than a vacancy caused by a Director appointed by the Governor) or as an addition to the Board but so that the total number of the directors shall not at any time exceed the maximum number fixed vide Article 116. Any director so appointed to fill a casual vacancy shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated. An additional director shall hold office up to the date of the next Annual General Meeting of the Company.

129. The Governor shall indicate the names of ex-officio directors appointed by him.

Interested persons  
as Directors  
(Section 261)

130. Certain interested persons as stipulated in Section 261 of the Companies Act, 1956 shall not be appointed as directors of the Company whose period of office is liable to determination by retirement of directors by rotation except by a special resolution of the Company and in the manner laid down by the said Section.

Notice of candidate  
as a Director to be  
in Writing.

131. A person who is not a retiring director shall subject to the provisions of the Act be eligible for appointment as a director at any Annual General Meeting if he or some member intending to propose him has not less than fourteen days before the meeting left at the office a notice in writing under his hand signifying his candidature or the intention of such member to propose him. The provisions of Section 257 of the Act shall have to be complied with in case of such persons.

Directors may  
be Directors of  
Companies  
Promoted by  
the Company.

132. A director of this Company may be or become a director of any Company promoted by this Company or in which it may be interested as a vendor, shareholder, or otherwise and no such director shall be accountable for any benefits received as director or member of such Company.

#### (4) ROTATION OF DIRECTORS

Rotation and  
Retirement of  
Directors.

133. Not less than two third of the total number of directors shall be persons whose period of office is liable to determination by retirement or directors by rotation. At the Annual General Meeting in every year one-third of the directors for the time being as are liable to retire by rotation or the number nearest to one-third shall retire from office. The Directors to retire at such Annual General Meeting shall be directors who shall have been longest in office. As between two or more who have been in office for an equal length of time, the director to retire shall, in default of agreement between them, be determined by lot. The length of time a director has been in office shall be computed from his last election or appointment when he has previously vacated office. This article shall not apply to directors appointed for certain number of years or a director appointed by the Industrial Finance Corporation of India or any other financing institution or a director nominated by the Central and/or State Government.

134. A retiring director shall subject to the provision of the Act be eligible for re-election and shall act as a director throughout the meeting at which he retires

Retiring Directors Eligible for re-election.

135. The Company at the Annual General Meeting at which any director retires in the manner aforesaid may fill up the vacated office by electing the retiring director or other person thereto and may without notice in that behalf fill up any other office which may then be vacated by electing the necessary number of persons unless the Company shall determine to reduce the number of directors.

Company may fill Vacancy.

136. Subject to any resolution for reducing the number of directors if at any meeting at which an election of directors ought to take place the places of the retiring directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday, till the next succeeding days which is not a public holiday, at the same time and place and if at the adjourned meeting the places of the retiring directors are not filled up and the meeting has not expressly resolved not to fill the vacancy, the retiring directors or such of them as have not had their places filled up shall if willing to continue in office and not otherwise disqualified to act as directors under the Companies Act, 1956, be deemed to have been re-elected at the adjourned meeting.

Adjournment of Meeting for Election of Directors.

137. At any General Meeting a motion shall not be made for the appointment of two or more persons as directors of Company by a single resolution, unless a resolution that it shall be so made has first been agreed to by the Meeting without any vote being given against it. The automatic re-appointment of retiring directors shall not apply in those cases as laid down in Section 261 and Section 280 of the Companies Act, 1956.

Appointment of Directors to be Voted Individually

#### (5) PROCEEDINGS OF BOARD OF DIRECTORS

138. The directors may meet together for the despatch of business and adjourn and otherwise regulate their meetings as they think fit but a meeting of the directors shall be held at least once in every three calendar months.

Meeting of Directors.

139. The quorum of a meeting of Directors shall be one-third of its total strength (any fraction contained in that one third being rounded off as one) or two directors whichever is higher, provided that when at any meetings the number of interested directors exceeds or is equal to two thirds of the total strength, the number of the remaining directors that is to say, the number of directors who are not interested shall be the quorum of such meeting.

Quorum

Any Director or Secretary, if any, may at any time summon a meeting of the directors, notice of a meeting of directors need not be given to a director who is not in India whether temporarily or otherwise.

140. If a meeting of the Board could not be held for want of quorum, the meeting shall automatically stand adjourned till the same day in the next week at the same time and place or if that day is public holiday, till the next succeeding day which is not a public holiday at the same time and place at which meeting the quorum of the directors present shall be the quorum.

Adjournment for want of Quorum.

141. Questions arising at any meeting of the directors shall be decided by a majority of votes of the directors having one vote. In case of an equality of votes, the Chairman shall have a second or casting vote.

Votes at meeting.

142. The Company may nominate a director as Chairman of the Directors meeting and determine the period of which he is to hold office. If no director is nominated at any meeting, the Chairman is not present

Chairman of the Board of Directors.

within 5 minutes after or time for holding the same, the directors present may choose one of their members to be Chairman of the meeting.

The Governor shall have the power to remove the Chairman from office at any time in his absolute discretion and made fresh appointment.

Acts of Meetings.

143. A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all any of the authorities, powers and discretion by or under these Articles or the Companies Act, 1956, vested in or exercisable by the directors.

Delegation to Committees

144. Subject to the provisions of the Companies Act, 1956 the directors may from time to time delegate such of their powers as is permissible to a Committee or Committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any committee so formed shall in the exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the directors.

Proceedings of Committees.

145. The meetings and proceedings of any such Committee if consisting of two or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by any directors under the last preceding clause.

Interest of Directors in contract of Arrangements (Section 300)

146. Except as provided in Section 300 of Companies Act, 1956 no directors of the Company shall as a director take any part in the discussion, or vote on, any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way directly or indirectly concerned or interested in the contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, his vote shall be void.

Validity of Meetings

147. All acts done by a person as director or as a member of a committee of directors shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualifications or had terminated by virtue of any provisions contained in the Companies Act, 1956 or under the Articles, provided that nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have terminated.

Resolution by Circulation (Sec. 289)

148. No resolution shall be deemed to have been passed by the Board or a Committee thereof by circulation, unless the resolution has been circulated in draft, together with necessary paper if any to all the directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed or meeting of the Board or Committee, as the case may be) and to all other directors or members, at their usual address in India and has been approved by such of the directors as are then in India or by a majority of such of them as are entitled to vote on the resolution.

#### MINUTES

Minutes to be made.

149. The directors shall cause minutes to be duly entered in the books provided for the purpose:-

- a) of the names of the directors present at each meeting of the directors and of any committee of directors;

- b) of all orders made by the directors and committee of directors;
- c) of all resolutions and proceedings of general meetings of the directors and committees;
- d) and any such minutes of any meetings of the directors or of any committee of directors, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

150. Until the contrary is proved every general meeting of the Company or meeting of directors in respect of the proceeding whereof minutes have been so made shall be deemed to have been duly called and held and all proceedings had thereat to have been duly had, and all appointment of directors or liquidators shall be deemed to be valid.

Meeting deemed to be duly convened.

151. Disclosure to Shareholders of Directors' interest in contract, appointing Manager, Managing Director or Secretaries and Treasurers should be complied with by the Company as required by Section 302 of the Companies Act, 1956.

Disclosures of Directors Interest to member (Sec. 302)

152. Every Director, managing Director, Secretaries and Treasurers, Manager or Secretary of the Company who is appointed in the Office of Director, Managing Director, Secretaries and Treasurers, Manager or Secretary of any other body corporate shall disclose to the Company the details of the office in the other body corporate as required by Section 305 of the Companies Act, 1956.

Duty of Directors etc. to disclose. (Sec. 305)

153. Every director of a Company and every person deemed to be a director of the Company under the provisions of the Companies Act, 1956 shall give notice to the Company of such matter relating to himself as may be necessary and in such manner as laid down in Section 308 of the Companies Act, 1956 for the purpose of enabling the Company to comply with the provisions of the Companies Act, 1956.

Directors to disclose Shareholdings (Sec. 308)

154. Except as provided in Section 314 of the Companies Act, 1956 no director, no partner or relative of such a director, no firm in which such a director or relative is a partner, no private Company of which such a director or relative is a partner and no director, Secretaries and Treasurers or Manager of such a private Company shall hold any office or place of profit except that of Managing Director, Secretaries and Treasurers, Manager, Legal or Technical Advisor, Bankers or Trustee for the debenture holders of the Company.

Place of profit (Sec. 314)

## (6) POWER OF DIRECTORS

155. Subject to the provisions of the Companies Act, 1956 the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things, as the Company is authorised to exercise and do. Provided that the Board shall not exercise any powers or do any act or thing which is directed or required whether by the Companies Act, 1956 or any other Act or by the Memorandum or Articles of the Company or otherwise, to be exercised by the Governor and/or the Government or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Companies Act, 1956 or any other Act or in the Memorandum or Articles of the Company, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting shall invalidate any prior act of directors which would have been valid if that regulation had not been made.

Power of Directors.

Specific powers  
given to directors.

156. Without prejudice to the general power conferred by the last preceding clause, and the other powers conferred by these presents, it is hereby expressly declared that the directors shall have the following power, that is to say power:-

To acquire  
property.

1. To purchase or otherwise acquire, for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.

To pay for  
property in  
debenture etc.

2. At their discretion to pay for any property rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bond, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure  
contracts by  
mortgage

3. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.

To appoint  
Officers etc.

4. To appoint, and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and servants as they may from time to time think fit, and do determine their powers and duties and fix their salaries or emoluments and to required security in such instances and to such amount as they think fit.

To appoint  
Trustee

5. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and to all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trust or trustees.

To bring and  
defend action etc.

6. To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and or any claims or demands by or against the Company.

To refer to  
arbitration.

7. To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.

To give receipts.

8. To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

To authorise  
acceptance etc.

9. To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptance, endorsements, cheques, contracts and documents.

To appoint  
attorneys

10. From time to time to provide for the management of the affairs of the Company outside Jaipur in such manner as they think fit, and in particular to appoint any persons to be the attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.



- |     |   |                                       |
|-----|---|---------------------------------------|
| 11. | To invest and deal with any of the moneys of the Company not immediately required for the purpose thereof upon such securities (not being shares in this Company) and in such manner as they think fit, and from time to time to vary or realise such investments.  | To invest moneys.                     |
| 12. | To execute in the name and on behalf of the Company in favour of any director or to other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as then think fit and any such mortgage may contain a power of sale and such other power.   | To give security by way of indemnity. |
|     | (a) To give guarantee for payment of loans, advances, to cane beet grower by bank for purchase of inputs.   |                                       |
| 13. | To give to any person employed by the Company a commission in the profits of any particular business or transaction, or a share in the general profits of the Company and such commission or share or profits shall be treated as part of the Working expenses of the Company   | To give percentages.                  |
| 14. | To support and subscribe to any charitable or public object, and any institution, society or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business, to give pensions, gratuities, bonuses or charitable aid to any person or persons who have served the Company or its predecessors in business or to the wife, children or dependants of such person or persons, that may appear to the Directors just or proper whether any such person his widow, children or dependants have or have not a legal claim upon the Company. | To give gratuities etc.               |
| 15. | To open accounts with any bank or bankers or with any Company firm or individual and to pay money into and draw money from any such account from time to time as the directors may think fit.   | Bank accounts.                        |
| 16. | To make and give effect to arrangements for cooperating joint adventure, sharing profits, mutual acceptances or other working arrangements of any kind with any person, firm or company engaged or about to be engaged in any business or transaction within the objects of the Company as to the Directors shall seem advantageous or desirable.   | Joint adventure etc.                  |
| 17. | With the consent of the Company in general meeting to sell or dispose of the undertaking of the Company or to remit any debt due by a director.   | Power to sell undertaking             |
| 18. | From time to time to delegate all or any or these powers and authorities to the agents of the Company with power to the agents to sub-delegate subject to section 292 of the Act.   | Power of Delegation to Agents.        |
| 19. | From time to time to make, vary and repeal by-laws, for the regulation of the business of the Company its officers and servants.  |                                       |
| 20. | To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may  |                                       |



consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

To insure property etc.

21. To insure and keep insured against loss or damage by fire or otherwise for such period etc. and to such extent as they may think proper all or any part of the buildings, machinery, ~~goods~~ <sup>produce</sup> and other movable property of the company ~~and~~ separately or conjointly also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue the policies of assurance effected in pursuance of this power.

To create provident fund

22. Before declaring any dividend, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the directors may deem fit.

To create depreciation and other funds

23. Before recommending any dividend to set aside out of the profits of the Company such as they may think proper for depreciation or to Depreciation Fund, Reserve or to Reserve fund of sinking fund Insurance fund or any special or other fund to meet contingencies or to repay redeemable preference shares, debenture or debenture stock and for special dividends and for equalising dividends and for repairing, improving, extending and maintaining any part of the property of the Company and for such other purpose including the purposes referred to in the sub-clause (16) as the directors may, in their absolute discretion think conducive to the interests of the Company, and to invest the Several Sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by the Act) as the directors may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interest of the Company notwithstanding that the matter to which the directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve fund into such special funds as the directors may think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation fund, in the business of the Company or in the purchase or repayment of redeemable Preference shares, debentures or debenture stock and that without being bound to keep the same separate from the other assets, and without being bound to pay or allow interest on the same, with power, however, to the directors at their discretion to pay or allow to the credit of such fund interest at such rate as the directors may think proper not exceeding six percent per annum. Depreciation will be calculated according to Section 205 (2) of the Act.

#### LOCAL BOARDS

Creation of Boards of Committees etc.

157. The directors shall have power to appoint from time to time and dissolve Local Boards, Subsidiary Boards, Advisory Boards or ~~Committees~~ Bodies of any description whenever they consider expedient to ~~do so~~

management and control of any business of the Company and in doing so may fix the number of members of such Boards or Committee, their qualification & remuneration powers, the period for which they are to remain as such powers, authorities and discretions and may from time to time make, modify or repeal and substitute rules for their control and guidance or for their working.

158. The Board of Directors of the Company shall exercise subject to the approval of the Governor, the following powers on behalf of the Company and it shall do so only by resolutions passed at meeting of Board.

Powers to be exercised by Board only at Meeting.  
(Sec. 292)

- (a) The power to make calls on shareholders in respect of money unpaid on their share.
- b Power to issue debentures
- c Power to borrow money otherwise than on debentures.
- d Power to invest the funds of the company and
- e Power to make loans.

Provided that the Board may by a resolution passed at a meeting delegate to any committee of Directors the powers specified in Clauses (c) (d) and (e) to the extent as specified in Section 292 of the Companies Act 1956. Nothing contained in this clause shall be deemed to effect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified above.

156. The Board of Directors of the Company shall not except with the consent of the Governor and the shareholders in the General Meeting :-

- a Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertaking,
- b Commit, or give time for the repayment or any debt due by a Director,
- c Invest otherwise than in trust securities the sale proceeds resulting from the acquisition, after the commencement of Companies Act, 1956. Without the consent of the Company of any such undertaking as is referred to in Clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- (d) borrow money after commencement of the Companies Act, 1956, where the money to be borrowed together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, or,
- (e) contribute, after the commencement of the Companies Act, 1956 to charitable and other funds not directly relating to the business, of the Company or the welfare of its employees any amounts, the aggregate or which will, in any financial year, exceed twenty-five thousand rupees or five percent, of its average net profits as

determined in accordance with the provisions of Sections 349 and 350 of Companies Act 1956 during the three financial years immediately preceding, whichever is greater.

Sole selling  
Agents  
(Sec. 294)

160. The Board of Directors of the Company shall not appoint a Sole selling agent for any area except subject to the condition that the appointment shall cease to be valid if it is not approved by the Company in General Meeting within a period of six months from the date on which the appointment is made.

161. Except as provided in Section 295 of the Companies Act 1956, the Company shall not without obtaining that previous approval of the Central Government in that behalf, make any loan to, or give any guarantee or provide any security in connection with a loan made by any other person to, or to any other person by :-

- (a) any Director of the lending Company or of a Company which is its holding Company or any partner or relative of any such director;
- (b) any firm in which any such director or relative is partner;
- (c) any Private Company of which any such director or member;
- (d) any body corporate at a General meeting of which not less than twenty-five percent of the total voting power may be exercised or controlled by any such director, or by two or more such directors together; or
- (e) any body corporate, the Board of Directors, Managing Director, Secretaries and Treasurers, or Manager whereof is accustomed to act in accordance with the directions or instructions of the Board or any directors of the lending Company.

Board's sanction  
for certain  
contracts in  
which Directors  
interested  
(Sec. 297)  
any

162. Subject to the provisions of Section 297 of the Companies Act, 1956 and except with the consent of the Board of Directors of the Company, a director of the Company or his relative, a firm in which such a director or relative is a partner, any other partner in such a firm or a private company of which the director is a member or director, shall not enter into any contract with the Company for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any share in, or debenture of the Company.

## VI. MANAGEMENT

Appointment  
of Managing  
Executive

163. The business of the Company shall, subject to the provisions of the Companies Act, 1956 and of these Articles be managed and conducted by Managing Executive and or technical director or directors under the control, direction and supervision of the directors.

164. Subject to the provisions of the Act and subject to the consent of the Central Government, the Company may from time to time appoint to the office of Managing Executive and/ or Technical Director, Resident Director and a director so appointed shall not while holding that office be subject to retirement by rotation but his appointment shall be subject to determination ipso facto if he ceases to be a director under any of the disqualification clauses under Section 274 of the Act.

General Powers  
of Managing,  
Executive or  
Technical  
Director.

165. Managing, Executive, Technical, or resident Director shall be incharge of general management of the Company under the control, direction and supervision of the directors, and the Board of Directors may from time to time delegate to each of such directors such of their powers of general management as they think fit and may from time to time revoke such delegation.

166. The Board of Directors subject to approval by Central Government may appoint one of the directors to be the Managing Director/ Director Incharge who may be a whole time/part time employee of the Company or a Committee of Management consisting of two or more directors for the conduct of business under the supervision of the Board of Directors. Managing Director/Director Incharge shall be the Chairman of the Board of Directors.

The Company in general Meeting shall have the powers to remove the Managing Director or the Committee of Management as the case may be from office at any time in its absolute discretion. The Managing Director or the Members of the Committee of Management shall be paid such salary and allowance as may be fixed by the Company in general meeting.

The Managing Director or the Committee of Management so appointed may be authorised by the Board to exercise such powers and discretion in relation to the affairs of the Company as are specifically delegated to him/it by the Board and are not required to be done by the Board of Directors of the Company at the general meeting under the Companies Act.

#### **VII. THE SEAL**

167. The Managing, Executive, Technical Director or Secretary, if any, shall provide for the safe custody of the seal and except in the case of certificate of title to shares or in the case of documents required for use in connection with any civil or criminal or fiscal proceedings in which cases the seal may be affixed unless otherwise directed by the directors on the authority of the Managing, Executive and/or Technical Director, the seal shall never be used except by the authority of the directors or of a Committee of Directors authorised in that behalf. At least one director shall sign every instrument to which the seal is affixed and every such instrument shall be countersigned by the Secretary, if any, or any other person authorised in that behalf. Provided, nevertheless, that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company, notwithstanding any irregularity touching the authority of the directors to issue the same. Subject to the provisions of Section 50 of the Act, the Company may have an official seal for use outside India.

Custody of Seal

#### **VIII. ACCOUNTS**

168. The Company shall keep proper books of accounts with respect to (a) all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place, (b) all sales and purchases of goods by the Company, and (c) the Assets and liabilities of the Company. If there be any branch office, the provisions of Section 209(2) of the Act shall be complied with.

169. Subject to Section 209 of the Companies Act, 1956, the books of account shall be kept at the Registered Office or at such other place in India as the Board of Directors think fit and shall be open to inspection by the directors during business hours and the directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company shall be open to the inspections of the members, and no member (other than a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the directors or by a resolution of the Company General Meeting.

Where to be kept and when inspection may be had.

Balance Sheet  
and Profit & Loss  
account  
(Sec. 211)

170. At every Annual General Meeting of the Company the directors shall lay before the Company in General Meeting a Balance Sheet and a Profit and Loss Account duly audited by its auditors for the period since the preceding account made up to date not more than six month before such meeting and shall otherwise comply with the provisions of Sections, 210, 211, 212 of the Companies Act, 1956.

Form of Profit  
and Loss Account  
(Sec. 211)

171. The Profit and Loss Account shall, 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 and otherwise comply with the requirements of schedule (vi) in part II of the Act.

Report of  
Auditors and  
Directors (Sec.  
215, 216, 217)

172. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report shall be attached thereto. There shall be attached to every Balance Sheet laid before the Company in General Meeting a Report of the directors in the manner laid down by the Section 217 as to the state and condition of the Company and as to the amount (if any) which the directors recommended to be paid out of the profits by way of dividend or bonus to the members and the amount (if any) which they decided to carry to any Reserve either in such Balance Sheet or in a subsequent Balance Sheet according to the provisions in that behalf in these Articles contained and other matters and such Balance Sheet, and Profit and Loss Account and Directors' Report shall be signed in the manner laid down in Sections 215 and 217 of the Act.

Report etc.  
to members

173. A copy of every Balance Sheet (including the Profit and Loss Accounts, the Auditors Report and every other document required by law to be annexed or attached as the case may be, to the Balance Sheet) shall at least 21 days previous to the meeting be sent to the registered address of every member, to every holder of debentures issue by the Company (not being bearer debenture holder), to every trustee for the holders of any debenture, to Auditor or Auditors and to such other persons as are entitled to the notice of the Meeting.

#### IX. AUDIT

174. Once at least in every year the accounts of the Company shall be examined and the correctness of the Profit and Loss Account and Balance Sheet ascertained by an Auditor or Auditors and the provisions of the Act, in regard to audit and the appointment and qualification of Auditors shall be observed.

175. The Auditor of the Company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor General of India.

176. The Comptroller and Auditor General of India shall have power :-

- (a) to direct the manner in which the Company's accounts shall be audited by the auditor appointed in pursuance of sub-section (2) of Section 619 of the Companies Act, and to give such auditor instructions in regard to any matter relating to the performance of his functions as such.
- (b) to conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorise in this behalf, and for the purpose of such audit to require information or additional information to be furnished to any person or persons so authorised, on such matters, by such person or persons, and in such form as the Comptroller and Auditor General may, by general or special order, direct.

The Auditor aforesaid shall submit a copy of his audit report to the Comptroller and Auditor General of India who shall have the right to comment upon, or supplement, the audit report in such manner as he may think fit.

Any such comments upon, or supplement, to the audit report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the audit report.

#### **X. APPROPRIATIONS OF PROFITS.**

177. It is necessary for the Board of Directors to obtain the prior approval of the Governor in the following matters :-

- |       |  |   |
|-------|--|---|
| (i)   | to give any person employed by the Company a commission on the profits of any particular business transaction or a share in the general profits of the Company,  |   |
| (ii)  | to set aside (before declaring any dividend) such portions of the profits of the Company as the Board of Directors may think fit, to form a fund to provide for such pensions, gratuity or compensations or to create any provident or Benefit Fund in such manner as the directors may deem fit.  | To set aside profits for pension, gratuity or provident funds, etc. |
| (iii) | to set aside, out of the profits of the Company (before recommending any dividend) such sums as the directors think proper as a Reserve Fund to meet contingencies or for equalising dividends or for repairing, improving and maintaining any of the property of the Company and for such other purposes as the directors shall in their absolute discretion think conducive to the interests of the Company and invest the several sums so set aside upon such investments (other than shares of the Company) as the directors may think fit, from time to time deal with and vary such investments; and dispose of all or any part thereof for the benefit of the Company, divide the Reserve Funds into such special funds as they think fit, and employ the reserve funds or any part thereof in the business of the Company, and that without being bound to keep the same separate from the other assets. | To set aside profits for Reserve funds, etc.                        |

#### **XI. DIVIDENDS**

178. Subject to any rights or privileges for the time being attached to any shares in the capital of the Company having preferential or special rights in regard to dividend and to the provisions of these Articles as to the Reserve Fund the profits of the Company which, it, shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amount paid or credited as paid thereon respectively otherwise than in advance of calls.

Division of Profits.

179. The Company in General Meeting may declare a dividend to be paid to the members according to their right and interests in the profits. Subject to the Provisions of Sec. 207 of the Act, the dividend that may be declared at a General Meeting shall be paid or the warrant in respect thereof shall be posted within 42 days from the date of declaration thereof.

Dividend (Sec. 207)

Notwithstanding anything herein contained so long as any money remains due under any Debenture secured by Debenture Trust Deed or Deeds executed by the Company under which the Industrial Finance Corporation of



India is the Trustee or beneficiary under the said debentures Trust deeds or under any Deed of Mortgage and/or Deed of Hypothecation executed by the Company in favour of the Corporation, on dividend shall be recommended by the directors of the Company not declared by the Company at a rate exceeding 6 (six) percent per annum on the amounts paid up on each share unless the Industrial Finance Corporation of India agree in writing to a higher rate of dividend being recommended and declared.

Restriction on amount of dividends

180. No larger dividend shall be declared than is recommended by the Board of Directors but the Company in General Meeting may declare smaller dividend.

Dividend out of profits only and not to carry interest.

181. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company but this provision shall be without prejudice to the right of the directors (Subject to the provisions of Section 78 and 80) to apply any part of any such reserve fund as may represent undistributed profits to provide, make up, equalise or increase any dividends or to pay a bonus from time to time and no dividend shall carry interest as against the Company.

What to be deemed net profits.

182. The declaration of the directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividend.

183. The directors may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

Profits earned or losses incurred before acquisition of a business.

184. Where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits or losses as the case may be, shall (subject to provisions of the Act) at the discretion of the directors be credited or debited wholly or in part to Profit and Loss Account and in that case the amount so credited or debited shall for the purpose of ascertaining the fund available for dividend, be treated as profit or loss arising from the business of the Company and available for dividend accordingly. If any share or securities are purchased cum dividend or interest, such dividend or interest when paid may at the discretion of the directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.

Payment of interest out of Capital (Sec. 208)

185. Whenever any shares of the Company shall be issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provisions of any plant which cannot be made profitable for a lengthened period, the directors may, subject to the provisions of the Act, pay interest at a rate not exceeding 4 percent per annum on so much of that share capital as shall for the time be paid up and charge the same to capital as part of the cost of such works or buildings or the provision of such plant.

Dividend & call together.

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

Debts may be deducted.

187. The directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Effect of transfer.

188. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. No dividend shall be paid except to the registered holder of such share or to his order or to his bankers.

189. The directors may retain the dividend payable upon shares in respect of which any person is under the transmission clauses entitled to become a member in respect thereof or shall duly transfer the same.

Retention in certain cases.

190. Any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto or in case of Joint-holders to the registered address of that one whose name stands first on the Register in respect of the Joint-Holding or to such person and such address as the holder or joint-holders may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders may direct and payment of the cheque purporting to be endorsed shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Payment of post

191. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and all dividends unclaimed for three years after having been declared may be forfeited by the directors for the benefit of the Company.

Unclaimed dividend.

192. Notice of the declaration of any dividend whether interim or otherwise shall be given to the holders of registered share in manner hereinafter provided.

Notice of dividend.

## **XII. ACCOUNTABILITY TO LEGISLATURE**

193. The annual report on the working and affairs of the Company, the audit report, and the comments upon or supplement to the audit report made by the Comptroller and Auditor General of India shall be placed by the state Government before the State Legislature of which the Company shall prepare such a report and furnish to the State Government in time.

## **XIII. MISCELLANEOUS**

194. A notice may be served by the Company upon any member either personally or by sending it through the post in a prepaid envelopes or wrapper addressed to such member at his registered place of address in India and if he has no registered address in India, to the address if any, within India supplied by him to the Company for giving notice to him.

How notices to be served on members.

195. Every member shall from time to time notify in writing to the Company some place in India to be registered as his address and such place shall for all purposes be deemed his registered place of address.

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

When notice may be given by advertisement

197. All notice shall with respect to any registered shares to which persons are jointly entitled be given to whichever of such persons is named first in the register and notices so given shall be sufficient notice to all the holders of such shares.

Notice to Joint holders

198. Subject to the Provisions of Sec. 53 of the Act, any notice of meeting sent by post shall be deemed to have been served at the expiration of 48 hours after the letter containing the same is posted and in any other case, at the time at which the envelope or wrapper containing the same would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove

When notice by post deemed to be served.

that the envelope or wrapper containing the notice was properly addressed, prepaid, and put into the post office. And a certificate in writing signed by a director or any other officer of the Company that the envelopes or wrapper containing the notice was so addressed and prepaid and posted shall be conclusive evidence thereof. Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

Transferee etc.  
bound by prior  
notices.

199. Every person who by transfer shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name or address being entered on the Register as a member shall be duly given to the Company may have notice of the transfer of such share.

Notice to personal  
representatives of  
deceased  
members

200. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representative 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 person 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.

Notice valid  
though member  
deceased.

201. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding such member be then deceased and whether or not the Company have notice of his demise be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint-holder thereof and such service shall for all purposes of these presents be deemed as sufficient service for such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such share.

Notice to be  
signed  
(Sec. 54)

202. Subject to the Provisions of the Act, the signature to any notice to be given by the Company may be written or printed.

Days of service  
(Sec. 53)

203. Where a given number of day's notice or notices extending over any other period is required to be given under the Act, the number of days, shall be counted according to the Provisions of the Act.

To whom  
notice to be  
given  
(Sec. 172)

204. Notice of every General Meeting shall be given in same manner hereinbefore authorised to (a) every member of the Company (including bearers of share warrants) except those member who (having no registered address within India) have not supplied to the Company an address within India for the giving of notices 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 and (c) to auditors of the Company for the time being. No other person shall be entitled to receive notices of general meeting:

#### XIV. WINDING UP

205. (1) If the Company shall be wound up the liquidator may, with the sanction of the 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.

(2) 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 or members.

(3) 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 as the liquidator, with the like sanction, shall think fit, but so that no members shall be compelled to accept any shares or other securities whereon there is any liability.

#### **XV. SECRECY CLAUSE**

206 (i) Save as otherwise expressly provided by the Act, no member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature or trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the directors it would be inexpedient in the interest of the members of the Company to communicate to the public.

(ii) Every Director, Manager, Auditor, Trustee, Member of Committee, Office, Adviser, Agent Accountant or other person employed or engaged in the business or the company or engaged in the business of Company shall observe as strict secrecy respecting all transaction of the Company with the customers and the state of account with individuals and shall not reveal any or the matters which may come to his knowledge in the discharge of his duties, except when required so to do by Directors, or by a meeting, be necessary in order comply with any of the provisions in these presents contained.

#### **XVI. INDEMNITY**

207. Every officer or agent for the time being 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 judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 in which relief is granted to him by the Court.

Individual  
responsibility  
of directors.

208. Subject to the provisions of Section 201 of the Act no director, auditor 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, or for through the insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of the Company, or for the insufficiency of the directors for or 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 effects shall be deposited or for any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.

209. The regulations number 124 & 166 shall be deemed to have been always inserted effect from 30th June, 1956.