

## NOTICE

The Fiftieth Annual General Meeting of the members of the Company will be held at its registered office at TC-79/4, Veli, Thiruvananthapuram – 695 021 (KERALA) on Friday, 20th June, 2014 at 11.00 a.m. to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2014, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a final dividend on 11% Preference Shares and Equity Shares.
3. To appoint Mr. Vijay Rai as an Independent Director for a period of 3 years, whose office was subject to retirement by rotation as per the terms of his earlier appointment and retire at this Annual General Meeting.
4. To appoint Mr. Praveen Sachdev as a Director for a period of one year, whose office was subject to retirement by rotation as per the terms of his earlier appointment and retire at this Annual General Meeting.
5. To appoint the Auditors and to fix their remuneration :-  
“RESOLVED that M/s Walker, Chandio & Co. LLP, Chartered Accountants, be and are hereby appointed as auditors of the Company for one year from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.  
“RESOLVED THAT Mr. Vijay Kishore Sharma be and is hereby appointed as an Independent Director on the Board of the Company for a period of 3 years”.
7. To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.  
“RESOLVED THAT pursuant to section 197 read

with section 198 of the Companies Act, 2013 and other applicable provisions, if any, including the rules framed thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force), consent of the Company be and is hereby given to pay a commission @ 1%, in aggregate, to the Non-Executive Directors of the Company, on Net Profit of the Company as calculated under section 198 of the Companies Act, 2013, for a period of 5 financial years commencing from 1st April, 2014 and such commission shall be distributed amongst the Non-Executive Directors, or some or any of them, in such proportion or in such manner as may be decided by the Board of Directors or Committee thereof from time to time”.

8. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED that the consent of the Company be and is hereby accorded in terms of section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force), to the Board of Directors of the Company to create equitable mortgage as first charge or second charge as may be agreed between the Company and the Lenders, on all immovable properties of the Company situated at Thiruvananthapuram, (Kerala), Yamunanagar, (Haryana) and Nidige and Machenahali, village, Shimoga, in favour of any Bank, both present and future, of the whole or substantially the whole of the said undertaking of the Company in such form and in such manner as the Board may think fit for securing any Financial Assistance obtained from Banks to the extent of Rs.50 Crores from time to time apart from loan/financial assistance already obtained as on date”.

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to finalise with the Banks, the documents in relation to or for creating the mortgage as aforesaid and to do all such acts, deeds, matters and things including execution of any documents as may be necessary or expedient for giving effect to this resolution”.

- “RESOLVED FURTHER that the aforesaid charge shall be pari-passu to the charge/mortgage created/ to be created in favour of other Bank(s) in respect of other financial assistance obtained and as may be agreed between the Company and respective lender”.
9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :
- “RESOLVED that in supersession of the earlier resolution passed by the Shareholders in their Annual General Meeting held on 10th June, 2011, the consent of the members of the Company be and is hereby accorded under Section 180(1)(c) and other applicable provisions and rules framed thereunder of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), to the Board of Directors of the Company to borrow from time to time, monies for the business of the company notwithstanding that the money to be borrowed together with the monies 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 paid up capital of the company and its Free Reserves provided that the total amount of monies borrowed at any time, shall not exceed Rs.300 Crores”.
10. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :
- “RESOLVED THAT pursuant to the provisions of Section 14 and other application provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded, for alteration of existing Articles of Association of the Company by deleting the existing set of regulations 1 to 184 (both inclusive) and substituting with new set of regulations 1 to 96 (both inclusive), as required under the Companies Act, 2013”.
2. THE SHARE TRANSFER BOOKS AND REGISTER OF MEMBERS OF THE COMPANY SHALL REMAIN CLOSED FROM 18-06-2014 TO 20-06-2014 (BOTH DAYS INCLUSIVE)
3. THE COMPANY IS IN THE PROCESS OF DELISTING ITS SHARES FROM STOCK EXCHANGES. AFTER DELISTING, THE COMPANY WILL CONTINUE TO BE LINKED UP WITH THE NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL) IN RESPECT OF THE SHARES HELD IN DEMAT FORM BY THE REMAINING SHAREHOLDERS OF THE COMPANY.
4. AS PER COMPANIES UNPAID DIVIDEND (TRANSFER TO GENERAL REVENUE ACCOUNT OF THE CENTRAL GOVERNMENT) RULES, 1978, MEMBERS ARE HEREBY INFORMED THAT ANY UNPAID DIVIDEND DECLARED IN RESPECT OF THE YEAR ENDED UPTO 31ST MARCH, 2006 HAVE BEEN TRANSFERRED TO THE INVESTOR EDUCATION AND PROTECTION FUND OF THE GOVT.
5. THE MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY ANY CHANGE IN THEIR BANK ACCOUNT DETAIL/THEIR ADDRESS TO THEIR DEPOSITORY PARTICIPANTS (DPs) IN RESPECT OF SHARES HELD IN DEMATERIALIZED FORM AND TO THE COMPANY OR ITS REGISTRAR & TRANSFER AGENTS, IN RESPECT OF THE SHARES HELD IN PHYSICAL FORM TOGETHER WITH A PROOF OF ADDRESS VIZ. COPY OF ELECTRICITY BILL/ TELEPHONE BILL/RATION CARD/VOTER ID CARD/ PASSPORT ETC.
6. ALL SHAREHOLDERS HOLDING SHARES IN DEMAT FORM ARE REQUESTED TO INFORM/UPDATE THEIR EMAIL ID WITH THE DEPOSITORY PARTICIPANT AND ALL SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO INFORM THEIR EMAIL ID TO THE COMPANY AT ITS ADDRESS 801- 803, TOWER- B, GLOBAL BUSINESS PARK, M.G. ROAD, GURGAON – 122002, HARYANA AND/OR REGISTRAR OF THE COMPANY AT ITS ADDRESS RCMC SHARE REGISTRY PVT. LTD., B-106, SECTOR -2, NOIDA - 201301, U.P.

NOTE :

By Order of the Board  
for EICL LIMITED

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY’S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.

Place : Gurgaon  
Date : 02-05-2013

Sd/-  
P.S. SAINI  
COMPANY SECRETARY

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

### ITEM NO. 3, 4 & 6

Mr. Vijay Rai and Mr. Praveen Sachdev were appointed as the independent Directors subject to retirement by rotation, under the Companies Act, 1956 and being longest in the Office, are liable to retire by rotation. Mr. Vijay Kishore Sharma was appointed as an Additional Director of the Company w.e.f. 28-10-2013 and he would hold office upto the date of ensuing Annual General Meeting of the Company. Now the Companies Act, 2013 requires that the appointment of Independent Director can be made for a term upto 5 consecutive years and the Independent Director shall not be liable to retire by rotation. Notice U/s 160(1) of the Companies Act, 2013 has been received proposing the appointment of Mr. Vijay Rai and Mr. Vijay Kishore Sharma for a period of 3 years and Mr. Praveen Sachdev for a period of one year as Independent Directors of the Company.

The brief profiles of Mr. Vijay Rai, Mr. Praveen Sachdev and Mr. Vijay Kishore Sharma are given below :-

**a. Mr. Vijay Rai**

Mr. Vijay Rai aged 67 years is B.Tech in Mechanical Engineering from I.I.T., Kharagpur. He has rich experience of over 43 years in different Industries including Industrial Chemicals, Pharmaceuticals and Engineering. He was the Vice President of Bombay Chamber of Commerce & Industry and member of several industry associations. He has been associated with the Company from the year 2000.

**b. Mr. Praveen Sachdev**

Mr. Praveen Sachdev aged 69 years is an Engineering Graduate and brings with him rich experience of more than four decades in diverse areas, in Greaves cotton Ltd, of which he was the Managing Director and CEO.

**c. Mr. Vijay Kishore Sharma**

Mr. Vijay Kishore Sharma aged 60 years is a Graduate Mechanical Engineer from IIT Kanpur and also has an MBA from IIM Ahmedabad. Mr. Sharma is a senior finance professional with extensive experience in wholesale banking, Investment Banking Private Equity, M&A activities across the globe and as CFO of a multinational company.

All the above Directors to be appointed as Independent Directors are well qualified and well experienced and in the opinion of the Board of Directors of the Company, they fulfill the conditions specified in the

Companies Act, 2013 and the rules framed thereunder for their appointment as Independent Directors and the proposed Directors are independent of the management. The Company has received their consent to act as Independent Directors in Form ‘-DIR-2’.

Hence, the resolution is recommended for your approval.

Mr. Vijay Rai, Mr. Praveen Sachdev and Mr. Vijay Kishore Sharma are concerned or interested in respect of the resolutions regarding their appointments and none of other Directors of the Company is in any way concerned or interested in the resolutions.

### ITEM NO. 7

The Shareholders in their meeting held on 8th September, 2009 had approved payment of 1% Commission to Non-Executive Directors for a period of 5 financial years which expires on 31st March, 2014. In view of the increased demand on the time of and contribution required from the Non-Executive Directors of the Company, time spent by them for attending Board and various committee meetings, it is proposed to pay a Commission @ 1%, in aggregate, on the Net Profit of the Company as calculated U/s 198 of the Companies Act, 2013 to the members of the Board of Directors of the Company for a period of 5 financial years commencing from 1st April, 2014. The above commission will be distributed in such proportion and in such manner amongst the Directors as may be determined by the Board from time to time. To pay commission to the Non Executive Directors, shareholders approval is required U/s 197 of the Companies Act, 2013.

Hence, the resolution is recommended for your approval.

All the Directors except Dr. Venkatesh Padmanabhan is concerned or interested in the resolution.

### ITEM NO. 8

The Company has been availing term loan/ working capital facilities from banks (outstanding as on 31-03-2014 Rs. 190.5 crores) and these loan/ credit facilities are secured by first charges/ second charges in favour of the Banks, on the movable and immovable properties of the Company. During the financial year 2014-15, the Company may be required to borrow funds from the Banks to the extent of Rs.50 Crores, from time to time, apart from the loan already availed as on date. These financial assistance shall be secured by creation of charge/equitable mortgage on all moveable and immovable properties of the Company. These charges will be pari-passu to the first charge(s)/second charge(s) created/to be created in favour of the Banks and as may be agreed between the Company and respective lender. For Creation of Charge on

Company's immovable properties, shareholders' approval is required U/s 180(1) (a) of the Companies Act, 2013.

Hence, the resolution is recommended for your approval.

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

#### ITEM NO. 9

The Shareholders in their Annual General Meeting held on 10th June, 2011 had authorised the Board of Directors of the Company to borrow money to the extent of Rs. 300 Crores excluding working capital credit facilities granted by the bankers in the ordinary course of business u/s 293(1)(d) of the Companies Act, 1956. In view of the enactment of new Companies Act, 2013 it is considered necessary to get the authorization of Shareholders U/s 180(1)(c) of the Companies Act, 2013 to borrow from time to time, monies for the business of the company notwithstanding that the money to be borrowed together with the monies 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 paid up capital of the company and its Free Reserves provided that the total amount of monies borrowed at any time, shall not exceed Rs.300 Crores.

Hence, the resolution is recommended for your approval.

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

#### ITEM NO. 10

In view of the enactment of new Companies Act, 2013 and rules framed thereunder, it has become necessary to change the Articles of Association of the Company. It is proposed to adopt a completely new set of articles and replace the existing articles with these adopted articles, under the Companies Act, 2013. To change the Articles of Association of the Company, shareholders approval is required U/s 14 of the Companies Act, 2013. The new set of Articles of Association of the Company is as follows :-

#### ARTICLES OF ASSOCIATION OF EICL LIMITED

#### PUBLIC COMPANY LIMITED BY SHARES

##### Interpretation

1. In these regulations—

(a) “the Act” means the Companies Act, 2013,

(b) “the seal” means the common seal of the company.

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

3. The Company shall forthwith enter into an agreement with English China Clays Limited of St. Austell, Cornwall, England, in the terms of the draft, a copy whereof has for the purpose of identification, been subscribed by Mr. B.P. Ray, Solicitor of Calcutta and the Board shall carry the said agreement into effect with full power nevertheless (subject to the provisions of Section 61 of the Companies Act, 1956) from time to time to agree to any modification of the terms of such agreement either before or after the execution thereof.

The basis on which the Company is established is that the Company shall enter into the said agreement on the terms there in set forth, subject to such modification (if any) as aforesaid and that Mr. Alan Nugent Goring Dalton and Mr. Mavelikalathu Narayana Iyer Ramakrishnan are to be the first Directors of the Company, and accordingly it shall be no objection to the said agreement that the said Mr. Alan Nugent Goring Dalton and the said Mr. Mavelikalathu Narayana Iyer Ramakrishnan as promoters and Directors stand in a fiduciary position towards the Company and that the Directors do not in the circumstances constitute an independent Board and every members of the Company, present and future, is to be deemed to join the Company on this basis.

#### Share capital and variation of rights

4. The Authorised Share Capital of the Company shall be such as given in Clause V of the Memorandum of Association and the same may be increased, decreased, consolidated, subdivided or otherwise dealt with in accordance with the provisions of the Act and the statutory regulations for the time being in force in this regard. These shares will carry such preferential, qualified or special rights, privileges as may be conferred on them from time to time by these regulations or by the terms of issue of such security.

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

6. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or



after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

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

(b) several certificates, each for one or more of his shares, upon payment of a sum for each certificate after the first, as may be decided by the Board subject to the rules framed in this respect.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

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

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

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

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

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

(ii) The rate or amount of the commission shall not

exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

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

10. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

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

12. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution or special resolution, as the case may be, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may determine.

### **Lien**

13. (i) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or

- in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
14. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:  
Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
15. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
16. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
- Calls on shares**
17. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
18. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
20. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at twelve per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
21. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
22. The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.
23. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the Register as a holder, or one of the holders of the numbers of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened

or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

#### **Transfer of shares**

24. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
25. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
26. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
27. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **Transmission of shares**

28. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him

with other persons.

29. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
30. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
31. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **Forfeiture of shares**

32. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the

call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

33. The notice aforesaid shall—
  - (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
34. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
35.
  - (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
36.
  - (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
  - (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
37.
  - (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  - (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - (iii) The transferee shall thereupon be registered as the holder of the share; and
  - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor

shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

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

### **Alteration of capital**

39. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such class and such amount, as may be specified in the resolution.
40. Subject to the provisions of section 61, the company may, by ordinary resolution,—
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) 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.
41. Where shares are converted into stock,—
  - (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits



of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

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

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

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

#### **Capitalisation of profits**

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

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards—

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

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

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

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

#### **Buy-back of shares**

45. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General meetings**

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

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

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

#### **Proceedings at general meetings**

48. (i) No business shall be transacted at any general meeting unless a quorum of members is present at

the time when the meeting proceeds to business.

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

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

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

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

#### **Adjournment of meeting**

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

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

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

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

#### **Voting rights**

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

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

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

54. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

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

(ii) For this purpose, seniority shall be determined by

the order in which the names stand in the register of members.

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

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

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

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

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

#### **Proxy**

60. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time appointed for holding the meeting and in default the instrument of proxy shall not be treated as valid.

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

62. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

63. Until otherwise determined by Special resolution, the number of the Directors of the Company shall not be less than three or more than fifteen or such maximum number as may be prescribed by the Central Govt. from time to time.