

MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
INGERSOLL-RAND (INDIA) LIMITED

Incorporated as a  
Company on the 1st day of December, 1921.

CRAWFORD BAYLEY & CO.  
MUMBAI.

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No. 12688

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

**IN THE MATTER OF INGERSOLL-RAND (INDIA) PRIVATE  
LIMITED**

I do hereby certify that pursuant to the provisions of section 23 of Companies Act, 1956 and the Special Resolution passed by the company at its Extra-ordinary General Meeting on the **18.7.1977**.

The name of "**INGERSOLL-RAND (INDIA) PRIVATE LIMITED**" has this day been changed to "**INGERSOLL-RAND (INDIA) LIMITED**."

And that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated this **THIRD** day of **AUGUST** one thousand nine hundred and seventy seven.



(SHRI RAM)  
ASST. REGISTRAR OF COMPANIES,  
Maharashtra, Bombay.

III

No. 3947.

IN THE OFFICE OF  
THE REGISTRAR OF COMPANIES UNDER ACT VII OF 1913.

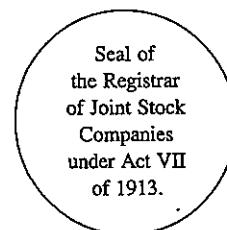
IN THE MATTER  
OF

# Ingersoll-Rand (India) Private Limited.

I DO HEREBY CERTIFY that pursuant to Act VII, 1913, of the Legislative Council of India, entitled "The Indian Companies Act, 1913", Memorandum of Association and Articles of Association (annexed) have been this day filed and registered in my office, and that the said Company has been duly incorporated and is a Company, Limited by shares, pursuant to the provisions of the said Act.

*Dated this 1st day of December One Thousand Nine Hundred and Twenty-one.*

MEMO OF FEES:		Rs.	As.	P.
4311	For Registering the Company	125	0	0
	Ditto Articles of Association	3	0	0
Total Rs.		128	0	0



Rupees One Hundred and Twenty-eight only.

(Sd.) KALIBOR MUKHERJEE  
Head clerk

(Sd.) W. STATHER HALE,  
Registrar of Companies  
under Act VII of 1913.

Entered by NIRMAL CHANDRA MUKHERJEE  
In Ledger Vol. LVII, being No. 4375  
202 for 1921-22.

Certificate No. 3947 for 1921-22.

**Stamp Rs. 15/-**

[THE INDIAN COMPANIES ACTS, 1913-1920]

\_\_\_\_\_  
COMPANY LIMITED BY SHARES  
\_\_\_\_\_

## MEMORANDUM OF ASSOCIATION

OF

# INGERSOLL-RAND (INDIA) LIMITED

1. The name of the Company is "INGERSOLL-RAND (INDIA) LIMITED."

2. The Registered Office of the Company will be situate in the State of

~~Maharashtra.~~  
Karnataka.

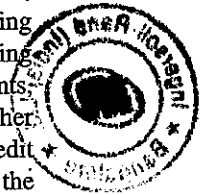
3. The objects for which the Company is established are (and it is expressly declared that the several sub-clauses of this clause and all the powers thereof are to be cumulative and in no case is the generality of any one sub-clause to be narrowed or restricted by any particularity of any other sub-clause nor is any general expression in any sub-clause to be narrowed or restricted by any particularity of expression in the same sub-clause or by the application of any rule of construction *ejusdem generis* or otherwise)—

- (1) To carry on business as general merchants, agents, contractors, iron founders, mechanical engineers and manufacturers of agricultural implements and other machinery, tool makers, brass founders, metal workers, boiler makers, mill wrights, machinists, iron and steel converters, smiths, wood workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas makers, farmers, printers, carriers and merchants and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in, import and export, machinery implements, rolling-stock and hardware of all kinds, and with a view thereto to enter into the agreement referred to in Article 4 of the Company's Articles of Association and to carry the same into effect with or without modification.
- (2) To carry on any business relating to the winning and working of minerals, the production and working of metals, and the production and manufacture and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company or any contracts undertaken by the Company and either for the purpose only of such contracts or as an independent business.

(Note: Article 4 referred to herein has not been reproduced in the new articles)



- (3) To undertake and execute any contracts for works involving the supply or use of any machinery and to carry out any ancillary or other works comprised in such contracts.
- (4) To carry on all kinds of agency business, and to take part in the management, supervision or control of the business or operations of any other company, association, firm or person and to act as the Managing Agents, Agents, Secretary or other officers of any such company, association, firm or person, and in connection therewith to appoint and remunerate any Directors, accountants or other experts or agents.
- (5) To purchase and otherwise acquire and deal in movable and immovable property of all kinds and in particular lands, mills, factories, collieries, tea and other produce, gardens and plantation, ships, boats, barges, railways, tramways, rope or other ways, motors and other vehicles for use on land, sea or air, business concerns and undertakings of every description, mortgages, shares, stock, debentures, securities, policies, book debts, claims and any interest in movable or immovable property and to establish and carry on any business in connection with all or any of the above or which may seem calculated to enhance the value of any of the property or rights of the Company or to facilitate the disposition thereof and to construct any mills, factories or other buildings of works and conveniences of all kinds.
- (6) To carry on the business of banking in all its branches and departments, including the borrowing, raising or taking up moneys, the lending or advancing money on securities and property, the discounting, buying selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities whether transferable or negotiable or not, the granting and issuing of letters of credit and circular notes, the buying, selling and dealing in bullion and specie, the acquiring, holding, issuing on commission, under-writing and dealing with stocks, funds, shares, debentures, debenture-stocks, bonds, obligations and other securities.
- (6b) To carry on business in India or elsewhere on its own account or on account of others, as importers and exporters of and dealers in and to act as an export house, trading house, or institution for the export of all kinds of goods, merchandise, articles and movable property or as agents. Also to undertake market survey, and research and render all services required by importers, and exporters for the purpose of encouraging exports.
- (7) To carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with any of the above, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (8) To acquire by purchase, lease, exchange or otherwise, lands, buildings and hereditaments of any tenure or description, and any estate or interest therein, and any rights over or connected with lands, and either to retail the same for the purpose of the Company's business or to turn the same to account as may seem expedient.



VII

- (9) To lend money, either with or without security, and generally to such persons and upon such terms and conditions as the Company may think fit.
- (10) To apply for, purchase, or otherwise acquire any patents, *brevets d' invention*, licenses, concessions, and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.
- (11) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest by publication of books and periodicals and by granting prizes, rewards and donations.
- (12) To establish and support, or aid in the establishment and support of, associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company, or its predecessors in business or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object.
- (13) To acquire and undertake all or any part of the business, property and liabilities of any person or company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company.
- (14) To enter into, any arrangement with any Government or authority supreme, municipal, local or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from any such Government or authority all rights, concessions and privileges which the Company may think it desirable to obtain and to carry out, exercise, and comply with any such arrangements, rights, privileges and concessions.
- (15) To enter into partnership or into any arrangement for sharing profits or losses or into any union of interests, joint-adventure, reciprocal concession or co-operation with any person or persons or company or companies carrying on or engaged in or about to carry on or engage in or being authorised to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.
- (16) Generally to purchase, take on lease or in exchange, hire or otherwise acquire any immovable or movable property and any rights or privileges which the Company may think necessary or convenient with reference to any of these objects and capable of being profitably dealt with in connection with any of the Company's property or rights for the time being.
- (17) To sell or dispose of the undertaking of the Company or any part 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 this Company.

VIII

- (18) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (19) To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
- (20) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture-stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem and pay off any such securities.
- (21) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
- (22) To undertake and execute any trust the undertaking of which may seem to the Company desirable, and either gratuitously, or otherwise.
- (23) To draw, make, accept, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
- (24) To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments, and securities of any company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.
- (25) To remunerate any persons or company for services rendered, or to be rendered, in placing or assisting to place, or guaranteeing the placing of, any shares in the Company's capital or any debentures, debenture-stock or other securities of the Company or in or about the formation or promotion of the Company or the acquisition of property by the Company or the conduct of its business.
- (26) To do all or any of the above things, either as principals, agents, trustees, contractors, or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise.
- (27) 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 rights of the Company.
- (28) To promote, sponsor, undertake and carry out rural development work and to incur any expenditure on any programme of rural development and to assist in the execution and promotion thereof either directly or through any agency or fund or in any other manner. Without prejudice to the generality of the

foregoing programme of rural development shall also include any programme for promoting the social and economic welfare of, or the uplift of, the public in any rural area which the Directors consider it likely to promote and assist rural development and the words 'rural areas' shall include areas as may be regarded as 'rural areas' under Section 35CC of the Income-tax Act, 1961 or any other law relating to rural development for the time being in force and the Directors may at their discretion, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Government or any public institution or trust established under any law for the time being in force or recognised or approved by the Central Government or State Government or any other authority specified in that behalf.

And it is hereby declared that the word "Company", save when used in reference to this Company, in this clause shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and the intention is that the objects specified in any paragraph of this clause shall, except when otherwise expressed in such paragraph, be in nowise limited or restricted by reference to or inference from the terms of any other paragraph.

4. The liability of the members is limited.

5. The Share Capital of the Company is Rs. 32,00,00,000/- (Rupees Thirty two Crores Only) divided into 3,20,00,000 Equity Shares of Rs. 10/- each with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges and conditions in such manner as may be for the time being provided by the regulations of the Company.

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

(By a Resolution, passed at the Extraordinary General Meeting held on December 9, 1976, the Authorised Capital of the Company was increased from Rs. 10,00,000 to Rs. 3,00,00,000 by creation of 29,00,000 new Equity Shares of Rs. 10 each.)

(By a Resolution passed at the Extraordinary General Meeting held on July 27, 1982, the Authorised Capital of the Company was increased from Rs. 3,00,00,000 to Rs. 5,00,00,000 by creation of 20,00,000 new Equity Shares of Rs. 10 each.)

(By a Resolution, passed at the Annual General Meeting held on May 21, 1986, the Authorised Capital of the Company was increased from Rs. 5,00,00,000 to Rs. 10,00,00,000 by creation of 50,00,000 new Equity Shares of Rs. 10 each.)

(By a Resolution passed at the Annual General Meeting held on August 10, 1989, the Authorised Capital of the Company was increased from Rs. 10,00,00,000 to Rs. 16,00,00,000 by creation of 60,00,000 new Equity Shares of Rs. 10 each.)

(By a Resolution passed at the Annual General Meeting held on August 20, 1992, the Authorised Capital of the Company was increased from Rs. 16,00,00,000 to Rs. 32,00,00,000 by creation of 1,60,00,000 new Equity Shares of Rs. 10 each.)

**Note:** Clause 2 was amended in pursuance of a Special Resolution passed by the Shareholders in General Meeting on 25th September 1962 and the amendment was confirmed by the Calcutta High Court by its Order dated 14th May, 1963.

Clause 3 (28) was added in pursuance of a Special Resolution passed by the Shareholders at an Extraordinary General Meeting on 27th July, 1982 and the amendment was confirmed by the Company Law Board vide its Order dated 22nd January, 1983.

Clause 3 (6b) was added in pursuance of a Special Resolution passed by the Shareholders at the Sixty-seventh Annual General Meeting on August 10, 1989 and the amendment was confirmed by the Company Law Board vide its Order dated September 28, 1989.

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber	Names, address and Description of Witness
D. R. LOWRY, 6, Council House Street, Calcutta.  Engineer.	One	G. L. SCOTT, Solicitor, Calcutta.
GERALD STAPLEDON,  32, Dalhousie Square, Calcutta.  Solicitor.	One	
Total ...	Two	

Dated the 1st day of December, 1921.

New Articles of Association adopted on  
the Eighteenth day of July 1977.

THE COMPANIES ACT, 1956

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

# INGERSOLL-RAND (INDIA) LIMITED

1. No regulations contained in Table A in the First Schedule to the Companies Act, 1956 shall apply to this Company, but the regulations for the management of the Company, and for the observance of the members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its resolutions by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.
- Table A not to apply but Company to be governed by these Articles.

## INTERPRETATION

2. In the interpretation of these Articles, unless repugnant to the subject or context:—
- “The Company” or “this Company” means INGERSOLL-RAND (INDIA) LIMITED.
- “The Act” means “The Companies Act, 1956”, or any statutory modification or re-enactment thereof for the time being in force.
- “Auditors” means and includes those persons appointed as such for the time being by the Company.
- “Board” or “Board of Directors” means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board.
- “Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.
- “Debenture” includes debenture-stock.
- “Directors” means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.
- Interpretation clause.
- “The Company” or “this Company.”
- “The Act.”
- “Auditors.”
- “Board” or “Board of Directors.”
- “Capital.”
- “Debenture.”
- “Directors.”

"Dividend."	"Dividend" includes bonus.
"Gender."	Words importing the masculine gender also include the feminine gender.
"In Writing" and "Written."	"In Writing" and "Written" include printing, lithography and other modes of representing or reproducing words in visible form.
"Member."	"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company.
"Meeting" or "General Meeting."	"Meeting" or "General Meeting" means a meeting of members.
"Annual General Meeting."	"Annual General Meeting" means a general meeting of the Members held in accordance with the provisions of Section 166 of the Act and any adjourned holding thereof.
"Extraordinary General Meeting."	"Extraordinary General Meeting" means an extraordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
"Month."	"Month" means a calendar month.
"Office."	"Office" means the registered office for the time being of the Company.
"Paid-up."	"Paid-up" includes credited as paid up.
"Persons."	"Persons" includes corporation and firms as well as individuals.
"Register of Members."	"Register of Members" means the Register of Members to be kept pursuant to the Act.
"The Registrar."	"The Registrar" means the Registrar of Companies of the State in which the office of the Company is for the time being situate.
"Secretary."	"Secretary" means a Company Secretary within the meaning of Clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 (56 of 1988) and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a Secretary under this Act and any other ministerial or administrative duties.
"Seal."	"Seal" means the Common Seal for the time being of the Company.
"Share."	"Share" means share in the share capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.
"Singular number."	"Words" importing the singular number include, where the context admits or requires, the plural number and vice versa.
"Ordinary Resolution" and "Special Resolution."	"Ordinary Resolution" and "Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.
"Year" and "Financial Year."	"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

The marginal notes used in these Articles shall not affect the construction hereof.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

## CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. The Authorised Share Capital of the Company is Rs. 32,00,00,000/- (Rupees Thirty Two Crores Only) divided into 3,20,00,000 Equity Shares of Rs. 10/- each.
4. The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
5. 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 as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture lien, surrender, transfer and transmission, voting and otherwise.
6. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are liable to be redeemed on or within the expiry of a period of 10 years from the date of their issue and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
7. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effects :-
- (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of redemption;
  - (b) no such shares shall be redeemed unless they are fully paid;
  - (c) the premiums, if any, payable on redemption must have been provided for out of the profits of the Company or out of the Company's Share Premium Account, before the shares are redeemed ;
  - (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed ; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
8. The Company may, (subject to the provisions of Sections 78, 80 and 100 to 105 inclusive, of the Act) from time to time, by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and, in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

Increase of capital by the Company, and how carried into effect.

New capital same as existing capital.

Redeemable Preference Shares.

Provisions to apply on issue of Redeemable Preference Shares.

Reduction of Capital.

Sub-division  
consolidation  
and cancellation  
of shares.

9. Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided may determine that as between the holder of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid, the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification  
of rights.

10. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares; all or any of the rights and privileges attached to the shares of each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of that class.

#### SHARES AND CERTIFICATES

Register and  
Index of  
Members.

11. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any state or country outside India a branch Register of Members resident in that state or country.

Declaration by  
person not hold-  
ing beneficial  
interest in any  
shares.

- (a) Notwithstanding anything herein contained a person whose name is at any time entered into the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in Section 187-C of the Act;
- (b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the register of members of the Company and such other particulars as may be prescribed as provided in Section 187-C of the Act;
- (c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 187-C of the Act;
- (d) Notwithstanding anything herein contained in Section 153 of the Act and Article 11 hereof, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

12. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Shares to be numbered progressively and no share to be sub-divided.

13. (a) Where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

Further issue of capital.

(b) Notwithstanding anything contained in the preceding sub-clause, the company may:—

(i) by a special resolution; or

(ii) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

offer further shares to any persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

(c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

14. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors; who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

Shares under control of Directors.

15. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14 the Company in general meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such

Power also to Company in General Meeting to issue shares.

person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

Acceptance of shares.

16. Any application signed by or on behalf of an 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 purposes of these Articles, be a Member.

Deposit and call etc. to be a debt payable immediately.

17. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion 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.

18. Every member, or his heirs executors or administrator shall pay to the Company the portion of the capital represented by his share or shares which may for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Share Certificates.

19. (a) Every member or allottee of share shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Director under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their Attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

(d) The Company shall be entitled to charge such sum as the Board may decide for issuing certificates for shares in numbers other than the marketable lot.

20. (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.

Renewal of  
shares  
certificates.

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No.            sub-divided/replaced/on consolidation of shares".

(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counter-foil to the effect that it is "duplicate issued in lieu of share certificate No.            "

The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

(e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewal and Duplicate Certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.

(f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, fascimiles, and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-Article (f).

(h) All books referred to in Sub-Article (g) shall be preserved in good order permanently.

21. If any share stands in the names of two or more persons, the person first named in the Register of Members shall as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the share, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

The first named  
of joint-holders  
deemed sole  
holder.

Company not bound to recognise any interest in share other than that of registered holder.

22. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

Funds of company may not be applied in purchase of shares of the Company.

23. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 77 of the Act.

#### UNDERWRITING AND BROKERAGE

Commission may be paid.

24. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

Brokerage.

25. The Company may pay a reasonable sum for brokerage.

#### INTEREST OUT OF CAPITAL

Interest may be paid out of capital.

26. 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 provision 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 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 or building, or the provision of plant.

#### CALLS

Directors may make calls.

27. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board. A call may be made payable by instalments.

Notice of call.

28. Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

Call to date from resolution.

29. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Call may be revoked or postponed.

30. A call may be revoked or postponed at the discretion of the Board.

31. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof. Liability of joint holder
32. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour. Directors may extend time.
33. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member. Calls to carry interest.
34. 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 Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles 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. Sums deemed to be calls.
35. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove (a) that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered alleged to have become due on the shares in respect of which such money is sought to be recovered; (b) that the resolution making the call is duly recorded in the Minute Book; and (c) that notice of such call was duly given to the member or his representatives issued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matters designated as (a), (b) & (c) above shall be conclusive evidence of the debt. Proof on trial of suit for money due on shares.
36. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided. Partial payment not to preclude forfeiture.
37. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time the amount so advanced or may at any time repay the same upon giving to the member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits. Payment in anticipation of calls may carry interest.
- (b) No member paying any such sum in advance, shall be entitled to voting rights

in respect of the moneys so paid by him until the same would but for such payment become presently payable.

#### LIEN

Company to have lien on shares.

38. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 22 hereof is to have full effect. Any 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 shares.

As to enforcing lien by sale.

39. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such share and may authorise one of their number to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debt, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale.

40. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and 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 persons entitled to the shares at the date of the sale.

#### FORFEITURE OF SHARES

If money payable on shares not paid, notice to be given to Member.

41. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him 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.

Form of notice.

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

In default of payment, shares to be forfeited.

43. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

Notice of forfeiture to a Member.

44. When any share shall have been so forfeited, notice of the forfeiture 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 of Members,

but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

- |   |  |
|---|--|
| 45. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.  | Forfeited share to be property of the Company and may be sold etc.         |
| 46. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand 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 the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment thereof if it think fit.   | Member still liable to pay money owing at time of forfeiture and interest. |
| 47. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.  | Effect of forfeiture.  |
| 48. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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 shares.   | Evidence of forfeiture.  |
| 49. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and may 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 to 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 such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. | Validity of Sale under Articles 39 and 45.                                 |
| 50. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.   | Cancellation of share certificates in respect of forfeited shares.         |
| 51. The Board 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 it thinks fit.   | Power to annul forfeiture.   |

#### TRANSFER AND TRANSMISSION OF SHARES

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|---|---|
| 52. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.   | Register of Transfers.                                      |
| 53. The instrument of transfer shall be in writing and all the provisions of section 108 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.  | Form of transfer.   |
| 54. The Instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every | Transfer form to be completed and presented to the Company. |

registered Instrument of Transfer shall remain in the custody of the Company until destroyed by an order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of members in respect thereof. Before the registration of a Transfer the certificate or certificates of the shares must be delivered to the Company.

Transfer Books and Register of Members when closed.

55. The Board shall have power on giving not less than seven day's previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated to close the Transfer Books, Register of Members, the Register of Debenture holders at such time or times and for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

Directors may refuse to register transfers.

56. Subject to the provisions of Section 111 of the Act, and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may at its own, absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares or debentures or any other scrip or security, whether fully paid or not (notwithstanding that the proposed transferee be already a member), but in such cases it shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor, notice of the refusal to register such transfer provided that the registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.

Notice of application when to be given.

57. Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

Death of one or more joint-holders of shares.

58. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Title to shares of deceased member.

59. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit the Board may dispense with the production of Probate or Letters of Administration or Succession Certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 62 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

No transfer to infant etc.

60. No share in any circumstances be transferred to any infant, insolvent or person of unsound mind.

Compliance with the Estate Duty Act, 1953.

61. If any member of the Company dies, and the Company through any of its principal officers within the meaning of the Estate Duty Act, 1953, has knowledge of the death, it shall not be lawful for the company to register the transfer of any shares standing in the name of the deceased member unless the Company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced to it a certificate from the Controller, Deputy Controller, or Assistant Controller of Estate Duty that either

the Estate Duty in respect thereof has been paid or will be paid or none is due as the case may be. Where the Company has come to know through any of its principal officers of the death of any member, the Company shall, within three months of the receipt of such knowledge, furnish to the Assistant Controller or the Deputy Controller of the Estate Duty who is exercising the functions of the Income-tax Officer under the Income-tax Act in relation to the Company, such particulars as may be prescribed by the Estate Duty Rules, 1953.

62. Subject to the provisions of the Act and Articles 58 and 59 any person becoming entitled to shares in consequences of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.

Registration of persons entitled to shares otherwise than by transfer.

63. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share.

Persons entitled may receive dividend without being registered as Member.

64. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee, if any, as the Directors may require.

Fee on transfer or transmission.

65. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Company not liable for disregard of a notice prohibiting registration of a transfer.

#### COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

66. A copy of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee one for each copy.

A copy of Memorandum and Articles of Association to be sent by the Company.

#### BORROWING POWERS

67. Subject to the provisions of Section 58A, 292 and 293 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the

Power to borrow.

Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

Payment or repayment of moneys borrowed.

68. Subject to the provisions of Article 67 hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Special Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being; and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue of Debentures.

69. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting accorded by a Special Resolution.

Register of Mortgages etc. to be kept.

70. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.

Register and Index of Debenture-holders.

71. The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debenture-holders resident in that State or country.

#### SHARE WARRANTS

Power to issue share warrants.

72. The Company may issue share warrants subject to and in accordance with, the provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any share which is fully paid, upon application in writing, signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require for the issue of a share warrant.

Deposit of Share Warrant.

73. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

(2) Not more than one person shall be recognised as depositor of the share warrant.

(3) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

74. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notices from the Company. Privileges and disabilities of the holders of share warrants.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and he shall be a member of the Company.

75. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction. Issue of new share, warrant or coupon.

#### CONVERSION OF SHARES INTO STOCK AND RECONVERSION

76. The Company in general meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time convert any stock into paid up shares of any denomination. Shares may be converted into stock.

77. 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 of winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. Right of stock-holders.

#### MEETINGS OF MEMBERS

78. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the forgoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Office of the Company is situate as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' shareholding which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar, in accordance with Sections 159, 161 and 220 of the Act. Annual General Meeting. Annual Summary.

Extraordinary  
General Meeting

79. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Requisition of  
Members to state  
object of meeting.

80. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

On receipt of  
requisition, Directors  
to call meeting and in  
default requisitionists  
may do so.

81. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 159(4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Meeting called by  
requisitionists

82. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

Twenty-one days'  
notice of meeting to  
be given.

83. Twenty-one days' notice at the least of every General Meeting, Annual or Extraordinary and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote there at and in case of any other meeting, with the consent of members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other meeting in any event 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 of the concern or interest, if any, therein of every Director, and the Manager (if any). Where any such item of special business relates to, or affects any other company, the extent of share holding interest in other company of every director and the manager, if any, of the company shall also be set out in the statement if the extent of such share-holding interest is not less than 20 per cent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Omission to give  
notice not to  
invalidate a resolution  
passed.  
Meeting not to  
transact business not  
mentioned in notice.

84. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

85. No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

86. Five Members present in person shall be a quorum for a General Meeting. Quorum at General Meeting.
87. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. Body corporate deemed to be personally present.
88. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in the City or town in which the Office of the Company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called. If quorum not present, meeting to be dissolved, or adjourned.
89. The Chairman (if any) of the Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the members present shall elect 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 elect one of their number to be Chairman. Chairman of General Meeting.
90. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant. Business confined to election of Chairman whilst chair vacant.
91. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in Mumbai, 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. Chairman with consent may adjourn meeting.
92. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result on a show of hands) ordered to be taken by the Chairman of the meeting of his own motion or demanded by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up and unless a poll is so ordered to be taken or demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution. Questions at General Meeting how decided.
93. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member. Chairman's casting vote.
94. If a poll is demanded as aforesaid the same shall subject to Article 96 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the City or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Poll to be taken if demanded.

- Scrutineers at poll. 95. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- In what case poll taken without adjournment. 96. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.
- Demand for poll not to prevent transaction of other business. 97. The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

#### VOTE OF MEMBERS

- Members in arrears not to vote. 98. No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.
- Number of votes to which member entitled. 99. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last Preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll to voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
- Casting of votes by a Member entitled to more than one vote. 100. On a poll taken at a meeting of the Company 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 way all the votes he uses.
- How Members non-compos mentis and minor may vote. 101. 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 poll vote by proxy, if any member be a minor the vote in respect of his share or shares shall be by his guardian, or any one of his guardian, if more than one, to be selected in case of dispute by the Chairman of the meeting.
- Votes of joint members. 102. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and, if more than one of such joint-holders be present at any meeting that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

103. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative 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 an individual member.
- Voting in person or by proxy.
104. Any person entitled under Article 62 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
- Votes in respect of shares of deceased and insolvent Member.
105. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.
- Appointment of proxy.
106. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
- Proxy either for specified meeting or for a period.
107. A member present by proxy shall be entitled to vote only on a poll.
- Proxy to vote only on a poll.
108. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
- Deposit of instrument of appointment.
109. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
- Form of Proxy.
110. 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 transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.
- Validity of votes given by proxy notwithstanding death of Member.
111. No objection shall be made as to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- Time for objections to vote.
112. The Chairman of any meeting shall be the 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.
- Chairman of the meeting to be the judge of validity of any vote.

## MINUTES OF MEETING

Minutes of General Meeting and inspection thereof by Members.

113. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorised by the Board for the purpose.

(3) In no case the minutes of proceedings of meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.

(5) All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meeting.

(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(7) Any such minutes shall be evidence of the proceedings recorded therein.

(8) The book containing the minutes of proceeding of General Meetings shall be kept at the office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

## DIRECTORS

Number of Directors.

114. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors) shall not be less than three nor more than twelve.

Power to appoint ex-officio Directors.

115. Whenever Directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and

privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

116. If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

Debenture Directors.

117. The Board may appoint an Alternate Director to act for a Director (herein after called "the original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the original Director in which place he has been appointed and shall vacate office if and when the original Director returns to that State. If the term of office of the original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

Appointment of Alternate Director.

118. Subject to the provisions of Sections 260 and 264 of the Act the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 114. Any such additional Director shall hold office only up to the date of the next Annual Meeting.

Directors' power to add to the Board.

119. Subject to the provisions of Sections 264 and 284(6) of the Act the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed 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 by him.

Directors' power to fill casual vacancies.

120. A Director shall not be required to hold any share qualification.

Qualification of Directors.

121. (1) Subject to the provisions of the Act, a Managing Director or Director, who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Remuneration of Directors

(2) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director may be paid remuneration either : —

- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- (ii) by way of Commission if the Company by a special resolution authorised such payment.

(3) The fee payable to a Director (other than Managing Director, Wholetime Director and non-resident Director) for attending meetings of the Board or Committee thereof shall be the maximum sum applicable to the Company as may be prescribed by law or by the Central Government from time to time.

- Travelling expenses incurred by Director. 122. The Board may allow and pay to any Director attending a meeting of the Board or any committee thereof such sum as the Board may consider fair compensation for travelling, boarding lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.
- Directors may act notwithstanding any vacancy. 123. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum number fixed by Article 114 hereof the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.
- When office of Director to become vacant. 124. Subject to Section 283(2) of the Act the office of a Director shall become vacant if : —
- (a) he is found to be of unsound mind by a Court of competent jurisdiction;
  - or
  - (b) he applies to be adjudicated an insolvent; or
  - (c) he is adjudged an insolvent; or
  - (d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
  - (e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board;
  - or
  - (f) he becomes disqualified by an order of the Court under Section 203 of the Act;
  - or
  - (g) he is removed in pursuance of Section 284; or
  - (h) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or
  - (i) he acts in contravention of Section 299 of the Act; or
  - (j) he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
  - (k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
  - (l) he resigns his office by a notice in writing addressed to the Company.
- Director may contract with Company 125. (1) A Director or his relative, firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or Director, may 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

shares in or debentures of the Company, the sanction of the Board and the previous approval of the Central Government as may be required shall be obtained in accordance with Section 297 of the Act.

- (2) No sanction shall, however, be necessary for —
- (a) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company by any such Director, relative, firm, partner or private company as aforesaid for such cash at prevailing market price: or
  - (b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/- in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs. 5,000/- in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

126. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into between two companies where any of the Directors of one company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in any such other company.

Disclosure of interest.

127. A General Notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

General Notice of Interest

128. No director shall as a Director, take any part in the discussion of, 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, whether directly or indirectly concerned or interested in such 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; provided however, that nothing herein contained shall apply to —

Interested Directors not to participate or vote in Board's proceedings.

- (a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the company;

- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;
  - (i) in his being —
    - (a) a director of such company, and
    - (b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the company, or
  - (ii) in his being a member holding not more than 2% of its paid-up share capital.

Register of  
Contracts in  
which Directors  
are interested.

129. The Company shall keep a Register in accordance with Section 301(1) and shall within the time specified in Section 301(2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 127. The Register shall be kept at the office of the Company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

Directors may be  
director of companies  
promoted by  
the Company.

130. A Director may be or become a director of any company promoted by the 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 shareholder of such company except in so far as section 309(6) or Section 314 of the Act may be applicable.

Retirement and  
rotation of  
Directors.

131. At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.

Ascertainment of  
Directors retiring by  
rotation and filling  
of vacancies.

132. Subject to provisions of the Act the Directors to retire by rotation under Article 131 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.

Eligibility for  
re-election.

133. A retiring director shall be eligible for re-election.

Company to  
appoint  
successors.

134. Subject to Sections 258 and 262 of the Act the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

Provision in  
default of  
appointment.

135. (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, 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 day which is not a public holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless—

- (i) at the meeting or at the previous meeting resolution for the re-appointment of such Director has been put to the meeting and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
- (v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

136. Subject to Section 259 of the Act the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

Company may increase or reduce the number of Directors.

137. (1) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

Notice of Candidate for office of Director except in certain cases.

(2) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

(3) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

138. (a) The Company shall keep at its office a Register containing the particulars of its Directors, Manager, Secretary and other persons mentioned in Section 303 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

Register of Directors etc. and notification of change in Register.

(b) The Company shall in respect of each of its Directors also keep at its office a Register, (as required by sub-section (1) of Section 307 of the Act), and shall otherwise duly comply with the provisions of the said section.

Register of shares or debentures held by Directors.

139. (a) Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company shall within twenty days of his appointment to any of the above offices to any other body corporate, disclose to the Company the particulars relating

Disclosure by a Director of appointment to any other body corporate.

to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

Disclosure by a Director of his holdings of shares and debentures of the Company etc.

140. Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section.

Board may appoint Chief Executive.

141. (a) The Company shall have a Chief Executive (whether called Executive Chairman, Managing Director or by any other designation).

(b) so long as Ingersoll-Rand Company, New Jersey, U.S.A. (hereinafter referred to as "Ingersoll") and/or any of its subsidiary company, parent company or any subsidiary of its parent company holds not less than 25 per cent of the paid-up equity share capital of the Company, Ingersoll or its successor shall be entitled to appoint a person as the Chief Executive of the Company and to remove any such Chief Executive so appointed and to appoint another in his place or in place of such Chief Executive who resigns or otherwise vacates his office. Such appointment and removal shall be effected by a writing addressed to the Board of Directors of the Company and signed by a director, secretary or a principal officer of Ingersoll and the same shall take effect upon being delivered to the Company.

(c) Subject to the provisions of Article 142 and the superintendence of the Board, the Chief Executive shall have the management of the affairs of the Company. The remuneration of the Chief Executive shall be such as may be determined by the Board from time to time and may be by way of monthly payment, fee for each meeting or participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act.

(d) Any Chief Executive so appointed shall not be required to hold any qualification shares and shall not be liable to retire at any general meeting of the Company.

Restriction on management.

142. The Chief Executive or Chief Executives shall not exercise the powers to

(a) make calls on shareholders in respect of money unpaid on the shares in the Company;

(b) issue debentures:

and except to the extent mentioned in the resolution passed at the Board meeting, under Section 292 of the Act, shall also not exercise the powers to

(c) borrow moneys, other than on debentures;

(d) invest the funds of the Company; and

(e) make loans.

Certain persons not to be appointed Chief Executive.

143. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Chief Executive or whole-time Director who

(a) is an undischarged insolvent, or has at any time been adjudged an insolvent;

(b) suspends, or has at any time suspended, payment to his creditors, or makes, or has at any time made, a composition with them; or

(c) is, or has at any time been, convicted by a Court of an offence involving moral turpitude.

## PROCEEDINGS OF THE BOARD OF DIRECTORS

144. The Directors may meet together as a Board for the despatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit. Meeting of Directors.
145. Notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India, to every other Director. Notice of meetings
146. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher, provided that where at any time 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, present at the meeting being not less than two, shall be the quorum during such time. Quorum
147. If a meeting of the Board could not be held for want of a quorum, then, the meeting shall stand adjourned to such other date and time (if any) as may be fixed by the Chairman. Adjournment of meeting for want of quorum.
148. The Secretary shall, as and when directed by any Director to do so, convene a meeting of the Board by giving a notice in writing to every other Director. When meeting to be convened.
149. The Directors may from time to time elect from among their number a Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting. Chairman
150. Questions arising at the meetings of the Board of Directors or a Committee thereof shall be decided by a majority of votes provided however that no Resolution shall be deemed to have been passed by the Board or its Committee unless a Director designated by Ingersoll-Rand Company, New Jersey, U.S.A. for this purpose has voted in favour of the Resolution. Questions at Board meetings, how decided.
151. A Meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally. Powers of Board Meeting.
152. Subject to the restrictions contained in Section 292 of the Act the Board may delegate any of their powers to committees of the Board consisting of such Member or Members of its Body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the Powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Directors may appoint Committee.
153. The meetings and proceedings of any such Committee of the Board 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 the Directors under the last preceding Article. Meeting of Committee, how to be governed.

Resolution by  
circulation.

154. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless such resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the Members of the Committee at their respective addresses registered with the company and has been approved by majority of directors or members of the committee or by a majority of such of them, as are entitled to vote on the resolution; provided that no such resolution shall be deemed to have been passed unless a Director designated by Ingersoll-Rand Company, New Jersey, U.S.A. for this purpose has voted in favour of the resolution.

Acts of Board or  
Committee valid  
notwithstanding  
informal  
appointment.

155. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated: 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.

Minutes of  
proceedings of  
meetings of the  
Board.

156. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in book kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the next succeeding meeting.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) The minutes shall also contain —

(a) the names 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.

(7) Nothing contained in sub-clauses (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting —

(a) is, or could reasonably be regarded as defamatory of any person;

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests 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 in this sub-clause.

(8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

157. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting:—

Power of Directors

- (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) remit, or give time for the repayment of, any debt due by a Director;
- (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition 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 moneys where the moneys 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.

Provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or

- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

158. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:—

Certain powers of the Board.

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay and charge to the capital account of the Company commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act.
- (3) Subject to Sections 293 and 360 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

- (4) At their discretion and subject to the provisions of the Act 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, mortgages, 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 bonds, debentures, mortgages 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.
- (5) To secure the fulfilment of any contracts or engagement 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 manner as they may think fit.
- (6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company, any property belonging to the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound, or abandon any legal proceeding 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 of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon.
- (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Sections 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any

particular business or transaction; and to charge such bonus or commission as part of the working expense of the Company.

- (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money pension, gratuities, allowances, bonus or other payments, 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 instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee any charitable benevolent, religious, scientific national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.
- (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as Reserve Fund or Sinking Fund or any special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may, in its absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as require to be invested, upon such investments (other than shares of the Company) as they 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 Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board 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 Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division of a Reserve Fund and with full power 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 Debentures or debenture-stock and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
- (17) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their power and duties, and fix their salaries or emoluments or remuneration and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as

- they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (18) To comply with the requirements of any local law which in their opinion it shall in the interests of the Company be necessary or expedient to comply with.
- (19) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards, and to fix their remuneration.
- (20) Subject to Section 292 of the Act, from time to time and at any time delegate to any person so appointed any of the powers authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorise the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- (21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board established as aforesaid or in favour of any company, or the shareholders, directors, nominees, or managers of any company or firms or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
- (22) Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company 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.
- (23) From time to time to make, vary and repeal by laws for the regulation of the business of the Company its officers and servants.

#### MANAGEMENT

Prohibition of simultaneous appointment of different categories of managerial personnel.

159. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely:—
- (a) Managing Director.
  - (b) Manager.

160. The Directors shall from time to time appoint a Secretary, and, at their discretion, remove any such Secretary to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also appoint at any time any person or persons (who need not be the Secretary) to keep the Registers require to be kept by the Company. Secretary.

#### THE SEAL

161. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Seal, its custody and use

(b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

162. Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Article 19(a). Deeds how executed

#### DIVIDENDS

163. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up and to the period during the year for which the capital is paid up on the shares held by them respectively. Division of profits.

164. The Company in General Meeting may declare dividends to be paid to its members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend. The Company in General Meeting may declare a dividend.

165. No dividend shall be declared or paid otherwise by the Company for any financial year out of the profits for that year arrived at after providing for depreciation in accordance with provisions of Section 205 of the Act except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that — Dividends only to be paid out of profits.

- (a) If the Company has not provided for depreciation for any previous financial year or years it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years:
- (b) If the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or these years whichever is less shall be set off against the profits of the Company for the years for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Sub-section (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

- Interim dividend. 166. The Board may, from time to time pay to the Members such interim dividend as in their judgement the position of the Company justifies.
- Capital paid up in advance at interest not to earn dividend. 167. Where Capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.
- Dividends in proportion to amount paid up. 168. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
- Retention of dividends until completion of transfer under Article 62. 169. The Board may retain the dividend payable upon shares in respect of which any person is, under Article 62 entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.
- Dividend etc. to joint-holders 170. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
- No member to receive dividend whilst indebted to the Company and Company's right of reimbursement thereof. 171. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
- Transfer of shares must be registered. 172. Subject to the provisions of Article 174, a transfer to shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- Dividends how remitted. 173. Unless otherwise directed any dividend may be paid by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.
- Unclaimed dividend. 174. Where a dividend has been declared by the Company but which has not been paid or claimed within 42 days from the date of the declaration to any shareholder entitled to the payment of the dividend the Company shall within 7 days from the date of the expiry of the said period of 42 days open a special account in that behalf in any Scheduled Bank called "the unpaid Dividend Account of Ingersoll-Rand (India) Limited" and transfer therein the total amount of dividend that has remained

unpaid or unclaimed as aforesaid. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be referred to the Central Government by the shareholders to whom the money is due.

In this Article, the expression "dividend which remains unpaid" shall mean any dividend, the warrant in respect thereof has not been encashed or which has otherwise not been paid or claimed.

175. No unpaid dividend shall bear interest as against the Company.

No interest on dividend.

176. Any General Meeting declaring a dividend may on the recommendation of the Directors 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 calls.

Dividend and call together.

177. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may for the purposes of this Article only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

Capitalisation.

(b) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payment shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

## ACCOUNTS

Directors to  
keep true accounts.

178. The Company shall keep at the office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 209 of the Act with respect to —

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
- (b) all sales and purchases of goods by the Company;
- (c) the assets and liabilities of the Company.

Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

The Company shall preserve in good order the books of Account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of account.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.

The Books of Account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

As to inspection  
of accounts or  
books by Members.

179. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no members (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.

Statement of  
Accounts to be  
furnished to  
General Meeting.

180. The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits and Loss Accounts, and Reports as are required by these sections.

Copies shall be  
sent to each  
Member.

181. A copy of every such Profit and Loss Account and Balance Sheet (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet) shall at least twenty-one days before the meeting at which the same are to be laid before the members be sent to the members of the Company, to every trustee for the holders of any debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him and to all persons other than such members or trustees being the persons so entitled. Provided that the Board may if it deems fit, instead of sending the said documents as aforesaid, may make copies of the said documents available for inspection at the office of the Company during the working hours for a period of twenty-one days before the date of

the meeting and send a statement containing the salient features of such documents in the form prescribed under Section 219 of the Act to every member of the Company and to every trustee for the holders of any debentures issued by the Company not less than twenty-one days before the date of the meeting. If the copies of the documents aforesaid are sent less than twenty-one days before the date of the meeting, they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by all the members entitled to vote at the meeting.

#### AUDIT

182. Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233-B of the Act.

Accounts to be audited.

#### DOCUMENTS AND NOTICE

183. A document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

Service of documents or notices on Members by Company.

184. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and, such service shall be deemed to have been effected in the case of a Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

185. A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

By Advertisement.

186. A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share.

On joint-holders.

187. A document or notice may be served or given by the Company on or 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 representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

On personal representatives etc.

188. Documents or notices of any General Meeting shall be served or given in some manner hereinbefore authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor or Auditors for the time being of the Company.

To whom documents or notices must be served or given.

Members bound by documents or notices served on or given to previous holders.

189. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of members, shall have been duly served on or given to the person from whom he derives his title to such shares.

Document or notice by Company and signature thereto.

190. Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board of Directors for such purposes and the signature thereto may be written, printed or lithographed.

Service of document or notice by member.

191. All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office.

#### WINDING-UP

Liquidator may divide assets in specie.

192. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit.

#### INDEMNITY AND RESPONSIBILITY

Directors' and others' right of indemnity.

193. Every Director, officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

#### SECRECY CLAUSE

Secrecy Clause.

194. (a) Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transaction and affairs of the Company with the customer and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery, of trade, secret process or any other matter 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 Company to disclose.

#### CHANGE OF NAME

Change of Corporate name under certain circumstances.

195. Ingersoll-Rand Company U.S.A. shall upon Ingersoll-Rand Company, U.S.A. and/or any of its parent, subsidiary or associate company ceasing to hold at least 50% of the

issued and paid-up equity share capital of the Company, or 50% of the total voting power of the shareholders for the time being of the Company for any reason whatsoever be entitled by a written notice of the Company to call upon the Company to discontinue the use of both the words Ingersoll and Rand in any form or manner as a part of its corporate or trade name or trading or operating style, and to change its name in such manner as to delete both the words Ingersoll — and Rand appearing in the name of the Company and the Company shall within ninety days from the date of receipt of such notice (a) discontinue the use of both the words Ingersoll and Rand as a part of its corporate or trade name or trading or operating style, and (b) take all such steps as may be necessary for the purpose of changing its name or style as aforesaid. Any new corporate or trade name or trading or operating style which the Company may adopt thereafter shall not consist, of any letter word or expression or letters words or expressions similar to or substantially or deceptively similar to both or either of the words Ingersoll and Rand or any part thereof, or of any letter word or expression which is a combination of the whole or part of either or both the words Ingersoll and Rand or any word or words similar thereto. All shareholders of the Company shall be deemed to have undertaken to exercise their rights as shareholders and specifically their voting rights in such manner as would enable the Company to comply with or implement the provisions of this Clause and shall be deemed to have joined the Company on this basis. The Directors of the Company are authorised to enter into an Agreement with the Company to the foregoing effect.

ADDENDUM OF CORRECTIONS / ALTERATIONS TO THE  
ARTICLES OF ASSOCIATION

<u>NO.</u>	<u>IN / INSTEAD OF</u>	<u>CHANGE</u>
1	Article 2	Def. of "Secretary" — replaced
2	Article 3	Capital Clause — replaced
3	Article 6	Replaced
4	Article 19(d)	New Article introduced
5	Article 56	Replaced
6	Article 92	Replaced
7	Article 114	Word "Twelve" substituted
8	Article 121	Sub-clause (3) – replaced
9	Article 137	Sub-clause (1) – replaced
10	Article 172	Sentence added at the beginning
11	Article 174	Replaced
12	Article 181	Replaced
13	Article 182	Replaced

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber	Names, address and Description of Witness
D. R. LOWRY, 6, Council House Street, Calcutta.  Engineer.	One	G. L. SCOTT, Solicitor, Calcutta
GERALD STAPLEDON,  32, Dalhousie Square, Calcutta.  Solicitor.	One	
Total ...	Two	

Dated the 1st day of December, 1921.