

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
PUNJAB STATE SEEDS CORPORATION LIMITED

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OF
PUNJAB STATE SEEDS CORPORATION LIMITED

- I. The name of the Company is Punjab State Seeds Corporation Limited.
- II. The registered office of the Company will be situated in Mohali
- III. A. Main objects : The main objects for which the Company established are :
 1. To implement the State Seeds Project forming part of National Seeds Programme in accordance with the arrangements between International Development Agency/International Bank for Reconstruction Development, Government of India, National Seeds Corporation Limited, Punjab Government and the Company or between any two or more of them.
 2. To undertake the production of certified seeds in sufficient quantities to support the National Production Programme and of any crops or varieties coming under the purview of the seeds Act.
 3. To provide quantity seeds at reasonable prices to farmers to support the high yielding varieties programme.
 4. To process certified seeds on scientific and commercial lines.
 5. To instal, manage and operate processing plants and seed storage facilities.
 6. To undertake and promote research in agriculture in general and seed production, processing, preserving and storage techniques in particular, in collaboration with ICAR, Agricultural Universities and National Seeds Corporation Limited and other institutions.
 7. To make arrangements for supply of foundation seed to grower share-holders through the National Seeds Corporation Limited for varieties of all India and regional importance and through against agencies of other varieties.
 8. To carry on activities of collection, processing, drying, storage, preservation, distribution, transportation and marketing of certified seeds of the grower share holder on commercial lines.
 9. To carry on business as seed merchants, to buy, sell, prepare for market and deal in seeds of all kinds.
 10. To purchase, own, acquire, take on lease and operate land, farm machinery, seed storage and seed cleaning, seed processing and transportation equipment deemed necessary for a seed business.
 11. To own and operate farm machinery, seed processing, storage and transportation facilities and equipment given on a rental basis.
 12. To enter into contract with individuals, co-operative societies, corporations and government agencies, in the growing, processing, drying, storage, distributing, transporting, buying and selling agricultural seeds.
 13. To undertake by inspections, and by other means, seed quality control measures in all phases of the seed business carried on by on behalf of or in co-operation with the company.
 14. To own and operate seed testing laboratories.
 15. To carry on the business of consulting and management service for individuals, co-operative societies, corporation, government agencies or others who are engaged in any phase of the seed business.
 16. To engage in market research and development activities.
 17. To support by financial grants or loan for seed, fertilizer, other inputs and plant protection measures, loan of equipment and farm machinery, transport facilities, technical advice and consulting services and by other means, activities leading to production of quality seeds.
 18. To organise supplies of inputs and maintenance of spare-parts facilities to the participant growers in the project.

19. To help growers participating in the project in obtaining grants, subsidy and loan from Government, Government agencies, public financial institutions, nationalised, scheduled or co-operative banks with the object of making them viable and successful seed growers.
 20. To co-operate with Government, Government agencies, public financial institutions, nationalised, scheduled or co-operative banks for collecting repayment of loans and credits issued with co-operation of the company to the participating growers in the project by making payment from the dues of the concerned grower for the sale of certified seed.
 21. To publicise quality seeds by booklets, leaflets, posters, exhibits, radio, television films, newspapers, journals, magazines and by other means.
- B. Object incidental or ancillary to the main objects :
1. To manufacture buy, sell, exchange, instal, work, alter, improve, manipulate, prepare for market, improve or export and otherwise deals in all kinds of plants and machinery, wagons, rolling stock, apparatus, tools, utensils, substance, materials and things, necessary or convenient for carrying on any of the business the Company is authorised to carry on or which is usually/dealt in by persons engaged in such business.
 2. To carry on the business of carriers by land, sea and air for the products of the company.
 3. To subscribe for under write, purchase, or otherwise acquire and to hold, dispose of, and deals with the shares, stocks, securities and evidence of indebtedness of the right to participate in profits or other similar documents issued by and Government authority, corporation or body, or by and company or body, of person and any options or rights in respect thereof and sell foreign exchange.
 4. To apply for, purchase or otherwise acquire any trade marks, patents, brevets invention licences, 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 or discovery 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 licences in respect of or otherwise turn to account the property/rights of information so acquired.
 5. To amalgamate or enter into partnership or any joint purpose or profit sharing arrangement with and to co-operate in any way with or assist or subsidize any co-operative, company, firm or person.
 6. To promote or concur in the promotion of any co-operative society or company, the promotion of which shall be considered desirable for the attainment of objects of the Company.
 7. To take all necessary or proper steps with the authorities, national, state, local, municipal or otherwise, of any place in which the Company may have interests, and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the Company or furthering the interest of its members, and to oppose any such steps taken by any other company, co-operative firm or person which may be considered likely directly or indirectly to prejudice the interest of the Company or its members.
 8. To support by financial grants, purchase of equipment and vehicles, and by training programmes, consulting service and other means the development and operation of state and Central agencies for seed certification and seed law enforcement programmes dealing with quality control measures for seeds.
 9. To acquire and deal with the following property :
 - (i) The business, property and liabilities of any company, co-operative society, firm or person carrying on any business with the objects of this company.
 - (ii) Lands, buildings, easements, and other interest, in movable property.
 - (iii) Plants, machinery, personal estate and effects.
 - (iv) Patens, patent rights, inventions, discoveries or design.
 - (v) Shares, stocks or securities in or of any company carrying on any business which this company is entitled to carry on or of any other Company or undertaking the acquisition of which may seem likely or calculated directly or indirectly to promote or advance the interests of the Company or be advantageous or beneficial to the Company and to continue to hold any shares in any such company heretofore acquired by the Company and to sell or dispose of and transfer any such shares, stocks or securities.

- (vi) To purchase, take on lease or acquire in exchange or concessions or otherwise, absolutely or conditionally, solely or jointly with others any property, rights or privileges which the company may take necessary or convenient for the prove, alter, manage, let, sell, dispose of exchange, carry out or control, canals, watercourses, drains, sheds, garages, accommodation of all kinds for land traffic, waterways, land, building, pipe-lines, waterhouses, workshops, machinery and apparatus, water rights way leaves, privileges or rights of and description or kind and other conveniences which may be calculated directly or indirectly to advance the Company's interest, and to contribute to subsidise or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof.
10. To carry on the business of manufactures, producers or otherwise dealers in plastic, jute, and any other metallic or non-metallic containers, wrappers, packing cases and other packing material and products for the purposes of the Company.
 11. To produce gas and electricity necessary for the purpose of the business of the Company and to process all products resulting from or ancillary to such production and dispose of the same and to take all steps incidental thereof.
 12. To sub-let all or any contracts from time to time and upon such terms and conditions as may be thought expedient.
 13. To apply for, tender, purchase or otherwise acquire any contracts, licences and concession for or in relation to the objects or business herein mentioned or any of them and to undertake, execute, carry out, dispose of otherwise turn to account the same.
 14. To acquire and undertake the whole or any part of the business, property and liabilities of any person or Company, carrying on any business which the company is authorised to carry on or possessed property suitable for the purpose of this company.
 15. Subject to the provisions, of Section 58A of the Companies Act in this behalf to borrow or raise money, or to receive money on deposit for the purpose of the Company, in such manner and upon such terms as may seem expedient, and to secure the repayment thereof and of moneys owing or obligations, incurred by the Company, and to create, issue and redeemable bonds, mortgages or other instruments, mortgage debentures (such bonds of debentures being made payable to bearer of otherwise and issuable either at par, at premium, discount or as fully paid), and for any such of the company both present and future including its uncalled capital. Provide that the company shall not carry on the business of banking.
 16. To negotiate loans for the Company or other persons or bodies to lend money's securities and other properties, to draw, make, accept, issue, endorse, discount, buy, sell and deal in the bills of exchange, promissory notes, hundies, drafts bills of lading, warrants and other negotiable or transferable instruments and all kinds of securities and to become sureties and guarantors and any such purpose.
 17. To invest any moneys of the Company not immediately required for the purpose of its business in such manner as may be thought fit and to lend money to such parties and so such terms, with or without security, as may be thought to be fit for the interest of the Company and in particular to customers of and persons having dealings with the company or companies, firms or persons carrying on any business which may be useful or beneficial to the Company.
 18. To amalgamate with any company or companies having objects altogether or in part similar, to those of the Company, or to sell, exchange, lease, under deal with either absolutely, conditionally or for any limited interest, all or any part of the undertaking property, rights or privileges of the Company, as a going concern or otherwise, to or with any public body, Corporation, Company society or association or to any person or persons for such consideration as the company may think fit, and in particular for any stock, shares (whether wholly or partly paid) debentures, debenture-stock, securities or property of any other company.
 19. To construct, maintain, improve, develop, work run, control and manage any water works, gas works, reservoirs roads, heat and light supply works, hostels, gardens, reading rooms stores, shops, dairies and other works and convenience which the company may think directly or indirectly conducive to these objects and to contribute or otherwise assist or take part in the construction, maintenance, development, working, running control and management thereof for the welfare of the share-holders, officers and employees of the Company.

20. To pay out of the funds of the Company all or any expenses which the Company may lawfully pay of and which are incidental to promotion, formation, organization, registration, advertising, and the establishment of this or any of the share or loan capital including brokerage and commission for obtaining application for or placing or guaranteeing the placing of the shares or my debentures, debenture stock or other securities of this or any such other company or society and also all expenses attending the issue of circular, reports maps, plans or notices, or the printing, stamping and circulating of proxies or forms to be filled up by the members of the Company subject to section 176 (4) of the Companies Act, 1956.
21. To distribute any of the assets or property of the Company among the members in specie or kind to gift in favour of the person, firm, body, corporation or institution, any property of the Company so that no distribution amounting to a reduction of capital shall be made except in conformity with the requirements of law for the time being in force.
22. To insure any of the properties undertakings, contracts, guarantees or obligations of the company of every nature and kind in any manner whatsoever.
23. To make donations as permissible by law to such persons and in such cases, and either of cash of other assets, as may be thought directly or indirectly conducive to any of the Company's objects, or otherwise expedient, and or particular to remunerate and person or corporation introducing business to the company, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition not being one intended to serve the cause of any political party or for promoting any political purpose of for any public general of other objects and to aid in the establishment and support of association for the benefit of persons employed by or having dealings with the company and particular provident, friendly or other benefit societies and to grant any pension, either by way of an annual payment or a lump sum, to any officer or servant of the company, or to his relatives or to dependents.
24. To obtain any order or Act of Legislature of Parliament for enabling the company to obtain all powers and authorities necessary or expedient to carry out or extend any of the objects of the company or for any other purpose which may seem expedient and to oppose any proceedings or applications which seem calculated directly or indirectly to prejudice the company's interest.
25. To grant pension or other emoluments or gratuities to any employees or exemployees and to officer and ex-officers of the company or the relations or dependents of any such persons, and to establish or support associations, institutions, clubs funds, and trusts which may be considered calculated to benefit any such persons or otherwise advance the interests of the company or of its members and established and contributed in accordance with the provision, to section 77(2) of the Companies Act to any scheme for the purchase by trustees of shares in the company to be held for the benefit of the Company's employees and officers and to lend money to the company's employees and to provide to the welfare of any employees or ex-employees and officers and ex-officers of the company, or dependents of any such person, by building or contributing to the building of house or dwellings or quarters or by subscribing or contributing to Provident Funds or other funds, association, institutions, schemes or trusts and providing or subscribing or contributing towards places or instruction and recreation, hospital and dispensaries, medical and other attendance and other assistance as the company may from time to time think fit.
26. To refer all questions, disputes or difference arising between the company and any other person whatsoever (other than a Director of the company) in connection with or in respect of any matter relating to the business of affairs of the company to arbitration in such manner and upon such terms as the company and such other person may mutually agree upon in each case, and such reference to arbitration any be in accordance with the provision of the Indian Arbitration Act or the Rules of the International Chamber of Commerce relating to Arbitration or otherwise.
27. To enter into negotiations, collaborations, technical, financial, or otherwise with any person, firm, company, body, corporate, institution or Government for obtaining by grant licence or on other terms formulate and other rights and benefits and to obtain technical information know how and expert advice for the production, manufacture and export or sale of the types of seeds products and other products and goods which the Company is authorised to produce or deal in.
28. To pay to any person, firm or body, corporate such remuneration and fees and otherwise recompense them for their time and for the service rendered by them their directors as promoters of the company.

29. To carry on all or any of the business usually carried on by seed companies in all their several branches and in particular to lay out, improve alter and develop and land or property and thereon to erect, construct alter or rebuild any building or works whatsoever.
30. To create any depreciation fund, reserve, fund, sinking and fund or any special or other fund or account whether for repayment of redeemable preference shares, redemption or debentures or debenture stock, or special dividends, for equalizing dividends for repairing, improving extending and mainstring any part of the property of the company and/or for any other purpose whatsoever.
31. To carry on the union of India or elsewhere all or anyone or more of the following business namely the buying, selling, letting on hire, purchasing, manufacturing and contacting of and dealing in machinery of all kinds and descriptions of agricultural implements mechanical and other parts, tools, plant appliances, apparatus requisites and accessories and all other things or whatsoever nature or description capable of being used therewith or in the manufacture, maintenance and working thereof.

C. Other Objects

1. To carry on the business of manufactures and producers of fertilizers, manufactures, sprays, vermifuges, fungicides of all kinds of agricultural, fruit, growing or other purpose or as remedies for men or animals and vegetable life and whether produced from vegetable or animal matter or by any chemical, biological or synthetic process.
2. To carry on any business whether manufacturing or otherwise such as forestry, soil conservation and animal husbandry.
3. To carry on business as commission agents for all kinds of cloths, yarn, cotton, wool, textiles, drugs, chemicals, foodgrains, seeds, pulses, oil seeds, sugar, provisions, oilman stores, oil stores, goods articles and things whatsoever.

IV. The liability of the members is limited.

V. Share capital of the company is Rs. 10 crore (Rupees ten crore) divide into 8,75,000 (eight lac seventy five thousand) equity shares of Rs. 100/- each (Rupees one shares of Rs. 100/- (one hundred) each. The redeemable cumulative preference shares shall be redeemed in the 10th years from its issue. The company has power to increase or reduce its capital from time to time and to divide the shares in original or increased capital or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as permitted by the Companies Act, 1956 or provided by the regulations of company for the time being.

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

Name, address, occupation and signature of subscribers	Number of Equity Shares taken by each subscriber	Name, address description and occupation of witness
(1)	(2)	(3)
1. Governor of Punjab For the Governor and on his behalf Shri Paramjit Singh, I.A.S., Development, Commissioner and Secretary to Govt., Punjab. Development and Agriculture Departments (Govt. Service) Sd/- Paramjit Singh	One	Bhagat Singh Under Secretary to Government Punjab, Agricultural Deptt. Sd/- Bhagat Singh
2. Shri D.P. Singh, Chairman National Seeds Corporation Limited, New Delhi (Public Sector Service) Sd/- D.P. Singh	One	Sd/- Bhagat Singh
3. Sh. N.S. Maini Managing Director National Seeds Corporation Limited, New Delhi (Govt. Service) Sd/- N.S. Maini	One	Sd/- Bhagat Singh
4. Sh. S.P. Bagla, I.A.S., Commissioner for Finance, and Secretary to Government, Punjab, Finance Department (Govt. Service) Sd/- S.P. Bagla	One	Sd/- Bhagat Singh
5. Smt. J. Khanna, I.A.S. Officer on Special Duty Seeds Project, Punjab Government, Agriculture Department (Govt. Service) Sd/- J. Khanna	One	Sd/- Bhagat Singh
6. Shri H.V. Krishnamurthy, I.A.S., Deputy Secretary of Government, Punjab, Agriculture Department (Govt. Service) Sd/- H.V. Krishnamurthy	One	Sd/- Bhagat Singh
7. Shri Pritam Singh Hoshiarpuri, Director of Agriculture, Punjab Govt. (Service) Sd/- P. Singh	One	Sd/- Bhagat Singh

Dated the 26th March, 1976

Total Seven Equity Shares

**MEMORANDUM OF ASSOCIATION
OF
PUNJAB STATE SEEDS CORPORATION LIMITED**

THE COMPANIES ACT, 1956
(Company Limited by Shares)
ARTICLES OF ASSOCIATION

OF

PUNJAB STATE SEEDS CORPORATION LIMITED

1. The regulations contained in Table 'A' in the first Schedule to the Companies Act, 1956 shall not apply to this company, but the regulations for the management of the Company and for the observance by the members thereof and their representatives shall, subject to any exercise of the statutory powers of the company in reference to the repeal or alteration of, or addition to its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.

INTERPRETATION

2. In the interpretation of the Articles the following expressions shall have the following meanings unless repugnant to the subject or context—

(i) "The Act" or "the said Act" means "The Companies Act, 1956" as amended upto date or other Act or Acts for the time being in force in India containing the provisions of the Legislature in relation to Companies.

(ii) "The Board" or "The 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, or the requisite number of Directors entitled to pass a Resolution Circulation in accordance with these Articles.

(iii) "The Company" or "This Company" means "Punjab State Seeds Corporation Limited."

(iv) "Directors" means the Directors for the time being of the company or, as the case may be, the Directors assembled at a Board of the Directors by whatever name called.

(v) The "Managing Director" means the "Managing Director" for the time being of the Company.

(vi) "Dividend" includes bonus.

(vii) Words importing the masculine gender also include feminine gender.

(viii) "Month" means a Calender month.

(ix) "Office" means the Registered Office for the time being of the Company.

(x) "Persons" includes firms, corporations as well as Juristic persons and individuals.

(xi) Words importing the Plural number also include the singular number.

(xii) Words importing the singular number include the Plural Number.

(xiii) "These Presents" or "Regulations" means these Articles of Association as originally framed or altered from time to time and includes the Memorandum where the context so requires.

(xiv) "The Government" or "Government" means the Government of Punjab.

(xv) "Seal" means the Common seal for the time being of the Company.

(xvi) "In writing" and "Written" shall include printing and lithography and any other modes of representing or reproducing words in a visible form.

(xvii) "Proxy" includes Attorney duly constituted under the Power of Attorney.

(xviii) "Executor" or "Administrator" means a person who has obtained Probate or Letter of Administration as the case may be from some competent Court.

(xix) "Capital" means the capital for the time being raised or authorised or authorized to be raised for the purpose of the Company.

(xx) "Shares" means the shares or stock into which the capital is divided and interest corresponding with such shares or stock.

(xxi) "Financial Year" means the period in respect of which the Profit and Loss Account of the company laid before it in annual general meeting is made up, whether that period is a year or not.

Table A not to apply but company to be governed by these articles

Interpretation clause.

"The Act" or "the said Act."

"The Board" or "The Board of Directors."

"The Company" of "This Company"

"Directors"

"Managing Directors"

"Dividend"

Gender"

"Month"

"Office"

"Person"

"Plural Number"

"Singular Number"

"These Presents of Regulations"

"Government"

"Seal"

"In writing" and "Written"

"Proxy"

"Executor" or "Administrator"

"Capital"

"Shares"

"Project Area"

(xxii) The Project area means one or more compact blocks selected by the Company with the concurrence of the Government of India for the production and processing of certified seeds. The area so selected is indicated in the map at Annexure-I. The area may be modified, from time to time, by the Board of Directors, with the approval of the State Government and the Government of India.

"National Seeds Corporation (NSC)"

(xxiii) National Seeds Corporation means National Seeds Corporation Limited, a Government of India Undertaking, duly incorporated under the Companies Act.

"National Seeds Programme (NSP)"

(xxiv) National Seeds Programme means the programme as formulated by Joint Working Party set up by Government of India with Dr. D. P. Singh, Chairman, National Seeds Corporation Ltd., and State Farms Corporation of India Ltd., as the Leader and submitted to Government of India,—vide his d. o. letter No. 4(5)/CC/75-NSC, dated 10th September, 1975 to Km. Ann: George, Joint Secretary (Inputs) in the Ministry of Agriculture and Irrigation and as it may be modified from time to time.

"State Seed Project"

(XXV) State Seed Project means the project formulated under National Seeds Programme for the State of Punjab and as it may be modified from time to time.

"Certified Seeds"

(xxvi) "Certified Seeds" means seeds produced and processed in accordance with the provisions of Seeds Act, 1966 and the Minimum Seed Certification Standards laid down from time to time.

(xxvii) Project Area as existing clause (xxii).

(xxviii) "Intra-state" means the seed produced and distributed within the same state.

(xxix) "Inter-state Marketing" means the seed produced in one state but sold in another state.

Subject as aforesaid any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles as in the Act.

Expression in the Act to bear the same meaning in Article.

The Marginal Notes hereto shall not affect the construction hereof.

Marginal notes.

3. The company will carry out the State Seeds Project forming part of National Seeds Programme and shall implement agreements entered into between Government of India/IDA/International Bank for Reconstruction and Development, National Seeds Corporation Limited and the company or between any two or more of them. In case, in the opinion of Government of India and the Government, Company fails to carry out the State Seeds Project or the agreement aforesaid the substratum of the Company shall be deemed to have failed and the Company shall be liable to be wound up on just and equitable grounds.

3 (A). Both the National Seeds Corporation and the State Seeds Corporation would work as service agencies on a fixed margin to be determined by the respective Board of Directors from time to time so as to cover their working expenses and a reasonable return on investment.

Basic of the functioning of the NSC and SSCs under the National Seeds Project.

COMMENCEMENT OF BUSINESS

4. (a) The share capital of the company is Rs. 10,00,00,000 (Rupees Ten Crore) divided into 8,75,000 (Eight lac seventy five thousand) equity shares of Rs. 100/- (Rupees one hundred) each and 1,25,000 (one lac twenty five thousand) Redeemable cumulative preference shares of Rs. 100/- (Rupees one hundred) each, the redeemable cumulative preference shares shall be redeemed in the 10th year of its issue.

(b) The company shall have power to increase or reduce the capital.

(c) The preference shares referred to in clause (a) above shall confer upon the holder thereof

(i) As respects dividends, a preferential right to be paid a fixed amount of dividend at 11 per cent per annum or maximum rate as may be notified under Capital Issues (Exemption) Order, 1969 from time to time;

(ii) As respects capital, they will carry on winding up a preferential right to be repaid the amount of the capital paid up or deemed to have been paid up. The preferential right shall extend to any amount remaining unpaid as fixed dividend accrued up to the date of winding up, whether declared or not, but shall not confer the right to further participation in the surplus, if any.

(d) Any other preference shares that may be issued in the event of increase in the capital shall carry the same preferential right as mentioned in clause (c) above unless otherwise expressly provided by the terms of issue of such further shares.

(e) The rights attached to the preference shares may, subject to the provision of sections 106 and 107 and whether or not the company is being wound up be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class.

5. (a) (i) Issued capital of the Company shall be allotted as under :—

(1) National Seeds Corporation Limited 50 per cent of the total preference share Capital, i.e., 124 per cent of the total issued capital.

(2) State Government Block 50 per cent of the total preference share capital i.e. 12½ per cent of the total issued capital.

(ii) Equity share capital of the Company shall be allotted as under

(1) State Government Block 22 per cent of the total issued capital i.e. 30 per cent of the total equity capital.

(2) The National Seeds Corporation Limited 17.5 per cent of the total issued capital i.e. 23.3 per cent of the total equity capital.

(3) Grower share-holders 35 per cent of the total issued capital i.e. 46.7 per cent of the total equity capital.

(b) Shares reserved for the growers shall be allotted only to persons who have the following qualifications

i. hold land in the project area which in the opinion of Board is suitable for production of seed.

ii. size of the operational holding of the grower along with that of other share-holders in the area, is in the opinion of the Board viable.

iii. undertake to participate in the seed production programme of the company in proportion to the shares held.

iv. are not defaulters in respect of payment of dues of any public financial institution or of the company.

(c) If any grower, to whom shares have been allotted, is at any time found not to possess or loses any of the aforesaid qualifications he may be required by the Board of Directors to sell his shares to one or more persons at a price determined by the Board.

Provided that if a grower share-holder ceases to produce seed for a period not exceeding one year he shall not be deemed to have lost the qualification.

Provided further that a grower share-holder shall be deemed to have lost his qualification if for any reason the company has not required him to produce seed during relevant period.

(d) If any part of the capital hereby made allotable to the growers is not subscribed by the growers within three months of the issue of the capital, the shares remaining unsubscribed may be taken by the NSC or the Government in equal shares and such shares may be transferred later by them to any grower.

Provided that the NSC or the Government holding the shares allotable to growers shall be entitled to participate in the election of Directors to be elected by the growers to the extent of such share holding from among the growers.

Provided that the NSC and Government would subscribe to unsubscribed grower shares only to the extent necessary to meet debt equity requirements of leading banks and only after subscribed shares even fully called up.

Further provided that such shares shall be available for transfer to eligible growers immediately upon request.

(e) The Board shall observe the restrictions as to allotment contained in sections 69 and 70 of the Act, as the case may be and shall cause to be made the re-turns as to allotment according to section 75 of the Act."

Articles 5(a)
Allotment of
Shares and
restrictions
thereon.

Shares under the control of Directors.

6. Subject to the provisions of the Act and of these Articles, the shares in the capital of the company for the time being (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 or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and proper, and with full power to give to any person the option to be allotted shares of the company either at par or at a premium, or subject as aforesaid at a discount such option being exercisable at such times and for such consideration as the Directors think fit, Provided that the option or right for the allotment of shares shall not be given to any person or persons without any sanction of the Company in general meeting.

Power of General meeting to offer share to such persons as the company may resolve

7. In addition to and without derogating from the power for that purpose conferred on the Directors under Article 6, the Company in General Meeting may by special resolution determine to issue further shares out of the authorised but unissued capital of the company and may determine that any shares (whether members or holders of debentures of the company or not) in such proportion and on such terms and conditions and either at a premium or at par, or subject to compliance with the provisions of section 79 of the Act, at a discount as such general meeting shall determine and with full power to give any person (whether a member or holder of debentures of the Company or not) the option to be allotted shares of any class of the company either at a premium or at par or (subject to compliance with the provisions of section 79 of the Act) at a discount, such option being exercisable at such times and for such considerations 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, subject to any direction given by the Company in general meeting as aforesaid the provisions of the Articles 65 and 66 hereof shall apply to any issue of new shares.

Director may allot shares as fully paid up.

8. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the company in payment or part payment for any property or assets of any kind whatsoever (including the goodwill of any business) sold or transferred, goods or machinery or know how supplied, or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up in cash or otherwise than in cash, and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid, the Directors shall cause returns to be filed of any such allotment as provided by section 75 of the Act.

Acceptance of Shares.

9. An application signed by or on behalf of an applicant for shares in the company, followed by an allotment of any shares 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 entered on the Register shall for the purpose of these Articles be a member.

Deposits and Calls etc., to be debt payable immediately.

10. The money (if any) which the Director 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 holder of such share, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Installments on shares to be duly paid.

11. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installments every such installment shall when due to be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

Company not bound to recognise any interest in shares other than that of the registered holders.

12. Except when required by law or ordered by a Court of Competent Jurisdiction, the Company shall not be bound to recognise any person holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or except only as by these Articles or as ordered by a Court of Competent Jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

SHARE CERTIFICATES

Certificate of shares.

13. The certificates of title to the shares shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (i) two Directors (provided that if the composition of the Board permits, one of the aforesaid two Directors shall be a person other than the Managing or whole-time Director) and (ii) the Secretary or some other person appointed by the Board for the purpose. 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. A Director may sign the 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. Provided always that notwithstanding anything contained in this Article the certificates of title to the shares may be executed and issued in accordance with such other provisions of the Act, or the rules made thereunder as may be in force for the time being and from time to time.

14. Every member or allottee of share(s) shall be entitled without payment to receive at least one certificate under the seal of the Company for all the shares of each class or denomination registered in his name such form as the Directors shall prescribe or approve, specifying the share or shares allotted to him and the amount paid 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 of its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. Provided that if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence. If the Directors so approve and upon payment of such fee, if any, not exceeding Rupees Two per certificate as the Directors may from time to time determine, in respect of each class of shares, a member shall be entitled to more than one certificate for shares of each class.

Member's right to certificates.

15. The Company shall within three months after the allotment of any of its shares or debentures and within two months after the application for the registration of the transfer of any such shares or debentures complete and have ready for delivery the certificates of all shares and debentures allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provide and the company shall otherwise comply with the requirements of section 113 and other applicable provisions (if any) of the Act.

Limitation of time for issue of certificates

16. (a) No certificate (s) of any share or shares or debenture or debentures 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 rendered useless from any cause whatsoever, or where the pages on the reverse for recording transfers have been fully utilised, unless the certificates in lieu of which they are issued are surrendered to the company provided that the company may charge such fee, if any not exceeding Rupees two per certificate issued on, splitting or consolidation of certificates or in replacement of certificates that are defaced or torn as the Board thinks fit. No duplicate certificates shall be issued in lieu of those that are lost or destroyed without the prior consent of the Board and without payment of such fee, if any, not exceeding Rupees two per certificate and on such reasonable terms, if any, as to evidence of such loss or destruction, and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence as the Board thinks fit. The Directors may, in their discretion, waive payment of such fee in the case of any certificate or certificates. Provided that no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on reverse for recording transfers have been fully utilised.

As to issue of new certificates in place of the defaced, lost or destroyed.

(b) All blank forms to be issued for share certificates shall be printed and the printing shall be done only on the authority of resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or 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.

(c) 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 the 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 (b).

(d) All the books referred to in sub-article (c) shall be preserved in good order permanently.

CALLS

17. The Board of Directors may, from time to time (by a resolution passed at the meeting of the Board and not by Circular Resolution) but subject to the condition hereinafter mentioned, make such calls as they think fit upon the members in respect of all monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and which are not by the conditions of the allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times appointed by the Directors. A call may be made payable by instalments.

Board may make calls.

18. Where any calls are made on the shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Calls on shares of same class to be made on uniform basis.

19. At least fifteen days' notice of every call otherwise than on allotment shall be given specifying the time of payment, and if payable to any person other than the Company the name of the person to whom the call shall be paid, provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.

Notice of Call.

20. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by those members whose names appear on the Register of Members on such date, or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

Call to date from resolution.

21. The Directors may from time to time, at their discretion, extend the time for the payment of any call, and may extend such time as to payment of call for any of the members who, from residence at a distance or other cause, the Directors may deem entitled to such extension but no member shall be entitled to such extension unless he has applied to the Directors for such extension.

Directors may extend time.

Amount payable at fixed time or by instalments as calls.

When interest on call or instalment payable.

Judgement decree of partial payment not to preclude forfeiture.

Proof on trial of suit for money due on shares.

Payment in anticipational of calls may carry interest.

If call or instalment not paid notice may be given.

Term of Notice.

In default of payment shares to be forfeited.

Entry of forfeiture in register of members.

Forfeited share to be property of the Company and may be sold etc.
Directors may

22. If by the terms of issue of any share, any amount is made payable at any fixed time or by instalments at fixed times (Whether on account of the capital amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given.

23. If the sum payable in respect of any call instalment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

24. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company, of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as hereinafter provided.

25. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares money is sought to be recovered appears entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly posted to the member or his representative in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

26. (a) The Directors may if they think fit accept from any member the whole or part of the amount remaining unpaid or any shares held by him, although no part of that amount has been called up.

(b) Upon all or any the moneys so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, five per cent above the Reserve Bank rate, as may be agreed upon between the Board and the Member paying the sum in advance.

FORFEITURE, SURRENDER AND LIEN

27. If any member fails to pay the whole or any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the call or instalment or any part thereof, and other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal and otherwise) that may have been incurred by the Company by reason of such non-payment.

28. The notice shall name a day (not being less than 14 days from the date of the notice on or before which and the place or places on or at which such call instalment or such part thereof and other moneys as aforesaid and such interest and expenses as aforesaid are to be paid and if payable to any person other than the Company, the person to whom such payment at or before the time and (if payable to any person other than the Company) at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

29. If the requirement of any such notice as aforesaid shall not be complied with any of the shares in respect of which such notice has been given may at any time thereafter but before payment of all calls of instalment interests and expenses and other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

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

31. 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.

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

33. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest, expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereof from the time of the forfeiture until payment at such rate as the Directors may determine and the Directors may enforce. The payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.

Shareholder still liable to pay money owing at the time of forfeiture and interest.

34. 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 presents are expressly saved.

Effect of forfeiture.

35. The Directors may subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering the share on such terms as they think fit.

Surrender of shares

36. Company shall have no lien on its fully paid shares. In the case of partly paid shares the Company shall have a first and paramount lien on shares registered in the name of each member, whether solely or jointly with others and upon the proceeds of sale thereof for all moneys called or payable at a fixed time in respect of such shares and whether held solely or jointly with any other person, and whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not, and no equitable interest in any share shall be created except upon the footing and condition that Article 37 is to have full effect. Any such lien shall extend to all dividends and bonuses 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.

Company's lien on shares.

37. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell such shares shall have been served on such members or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment or discharge of such debts, liabilities or engagements for seven days after such notice.

As of enforcement of lien by sale.

38. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such members and the residue (if any) shall be subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to such member or the person (if any) entitled by transmission to the shares so sold.

Application of proceeds of sale.

39. A certificate in writing under the hand of two Directors that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such shares.

Certificate of forfeiture.

40. 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 cause the purchaser's name to be entered in the register in respect of the shares sold and the Company may receive the consideration, if any, given for the share on any sale, reallocation or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration; if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture sale, re-allotment or other disposal of the share and after his name has been entered in the register in respect of such share the validity of the sale shall not be impeached by any person.

Title of purchase and allottee of forfeited shares sold to exercise lien.

41. Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the Certificate or Certificates originally issued in respect of the relevant share shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand canceled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

Cancellation of share certificate in respect of forfeited shares and share sold to exercise lien.

TRANSFER AND TRANSMISSION OF SHARES

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

Register of transfers.

43. The Company shall keep a book to be called the Register of Renewed and Duplicate Certificates and therein shall be fairly and distinctly entered the particulars of the issue of renewed and duplicate certificate in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or told decrepit, worn out or rendered useless.

Register of Renewed and Duplicate Certificates

44. The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the 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 transfers.

45. (1) An application for the registration of a transfer of the shares in the Company may be, made either by the transferor or the transferee.

Application for transfer.

(2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes an objection to the transfer within two weeks from the receipt of the notice.

(3) For the purposes of clause (2) above the notice to the transferee shall be deemed to have been duly given if it is despatched by pre-paid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

Transfer to be executed by the transferor and transferee.

46. Every such instrument of transfer shall be signed by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

Transfer not to be registered except on production of instrument of transfer.

47. The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the company within the prescribed period alongwith the certificate relating to the shares or if no such share certificate is in existence, alongwith the letter of allotment of the shares. Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit. Provided further that nothing in this Article shall prejudice any power of the Company to register as share-holder any person to whom the right to any shares in the Company has been transmitted by operation of law.

Restriction on transfer.

48. Any transfer made by a grower share-holder shall not be allowed and registered unless it is made to another grower who possesses all the qualifications prescribed for a grower shareholder by Article 5.

Directors may refuse to register transfer.

49. Subject to the provisions of section 111 of the Act or any statutory modification for the time being in force, the Directors may, at their absolute discretion, decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of shares upon which the Company has a lien or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a member. Provided that registration of a transfer shall not be refused on the ground of the transfer being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except as stated hereinabove. The registration of transfer shall be conclusive evidence of the approval by the Directors of the transferee.

Notice of refusal to be given to transferor and transferee.

50. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within two months from the date on which the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission as the case may be and thereupon the provisions of section 111 of the Act or any statutory modification thereof for the time being in force shall apply.

Transfer by legal Representative.

51. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative, is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Custody of instrument of transfer.

52. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instrument of transfer which the Directors may decline to register on demand be returned to the person depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

Closure of transfer books.

53. The Directors shall have power, on given not less than seven days' previous notice by advertisement as required by section 154 of the Act to close the transfer books of the Company, the Register of Members or the Register of Debenture-holder at such time or times and for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at any one time.

Title of shares of deceased holder

54. The executors or administrators or the holder of a Succession Certificate in respect of the estate 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 unless such executors or administrators shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letter of Administration or Succession Certificate and under the provisions of Article 55, register the name of any person who claims to be absolutely entitled to the shares standing in the name of deceased Member, as a member.

Transmission clause.

55. Subject to the provisions contained in Articles 48 and 49 hereof any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of Probate or Letters of Administration or Succession Certificate or such other evidence that he sustains the character in respect of which he possesses to act under his clause or of his title to the shares as the Board thinks sufficient may with the Consent of Board (Which it shall not be under any obligation to give), be registered as a member in respect of such shares, or may subject to the regulations as to transfer hereinbefore contained, transfer such shares. This clause is herein referred to as the transmission clause.

Power to refuse

56. Subject to the provisions of the Act and these Articles the Directors shall have the same right to refuse to register as member a person entitled by transmission to any shares or his nominee as if were the transferee named in an ordinary transfer presented for registration.

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

58. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

59. A fee not exceeding 25 paise per share may be charged in respect of a transfer or transmission to the same party of any number of shares of any class or denomination subject to such maximum on any one transfer or transmission as may from time to time be fixed by the Directors. Such maximum may be a single fee payable on any one transfer or transmission of any number of shares of one class or denomination or may be on a graduated scale varying with the number of shares of any one class comprised in one transfer or transmission or may be fixed in any other manner as the Directors in their discretion shall determine. The Directors may, at their discretion waive the payment of any transfer or transmission fee.

60. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of share made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice persons having or claiming any equitable right, title or interest or may have received a notice prohibiting registration of such transfer and may have entered such notice or referred such notice there to 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 Directors shall so think fit.

CONVERSION OF SHARES INTO STOCK

61. The Company, by ordinary resolution in General Meeting may

- (a) convert any fully paid-up shares into stock; and
- (b) convert any stock into paid-up shares of any denomination:

62. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit; provided that the Board may, from time to time fix the minimum amount of stock transferable, so however, that such minimum shall not exceed to nominal amount of shares from which the stock arose.

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

64. Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid up shares shall apply to stock and the words "share" and "Share-holders" in those regulations shall include "stock" and "Stock-holders" respectively.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

65. The Company may from time to time by ordinary resolution in General Meeting increase its share capital by the creation and issue of new shares of such amount as it thinks expedient. Subject to the provisions of the Act, the shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting creating the same shall direct and if no direction be given, as the Board shall determine. Such shares may be issued with a preferential or qualified rights as to dividends, and in the distribution of assets of the Company, and with a right of voting at a General Meeting of the Company in conformity with section 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.

66. (1) If the Company proposes to issue new shares at any time after the expiry of two years from the date of formation of the Company or at any time after the expiry of the year from the date of allotment of shares in the Company, made for the first time (whichever is earlier) than such new share 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 upon those shares at that date and such offer shall be made in accordance with the provision of section 81 of the Act; provided that notwithstanding anything hereinafter contained the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who at the date of the offer, are holders of the equity shares of the Company in any manner whatsoever:

(a) If a special Resolution to that effect is passed by the Company in General Meeting or

(b) 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 votes, if any of the

Persons entitled may receive dividend without being registered a number Board may require evidence of transmission.

Fee on transfer or transmission.

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

Conversion of shares into stock and reconversion

Transfer of stock.

Rights of stock holders.

Regulation to apply to stocks.

Increase of Capital

Right of Equity share holders to further issue of capital.

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 the application made by the Board of Directors in that behalf, the proposal is most beneficial to the Company.

(2) Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to debentures issued or loans raised to convert such debentures or loans into shares in the Company or to subscribe for shares in the Company (whether such option is conferred in Article 74 or otherwise) provided that the terms of the issue of such debentures or of such loans include a term providing for such option and such terms have been approved by a special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans and also the same has either been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by the Government in this behalf.

Reduction of
Capita.

67. The Company may from time to time subject to the provisions of section 70, 80, 100 to 105 inclusive, of the Act, by special resolution reduce its share capital and any Capital Redemption Reserve Account or share Premium Account in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary after its Memorandum by reducing the amount of its share Capital and of its shares accordingly.

Consolidation
division and sub-
division.

68. The Company may in General Meeting alter the conditions of its Memorandum as follows:-

(a) Consolidate and divide all or any of the share capital into shares of larger amounts than its existing shares

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

(c) Cancel shares which at the date of such General Meeting 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.

Issue of further
Pari Passu
shares not to
affect the rights
to shares already
issued.

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

JOINT HOLDERS

Joint holders.

69. Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in the Articles

(a) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

(b) On the death of any such joint-holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability in respect of the shares held by him jointly with any other person.

Joint and several
liability for all
payments in
respect of
shares.

Title of Survivor

(c) Only the person whose name stands first in the Register of Members may give effectual receipts for any dividends or other monies payable in respect of such shares.

Receipt of first
sufficient.

(d) Only the person whose name stands first in the Register of Members as one of joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 202) from the Company, and any documents served on or sent to such persons shall be deemed service in all the joint-holders.

Delivery of certi-
ficate and giving
of notices to first
named holders.

Votes of Joint
holders.

(e) Any one of two or more joint-holder may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting. Provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by proxy although the name of such joint-holder present by proxy stands first or higher in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint-holders.

BORROWING POWERS

70. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power from time to time at their discretion, by a Resolution passed at a meeting of the Board and not by Circular Resolution, 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 moneys for the purposes of the company provided that the total amount borrowed at any time 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) shall not, without the consent of the Company in General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserve that is to say, reserves not set apart for any specific purpose. Such consent shall be obtained by an ordinary resolution which shall provide for the total amount upto which moneys may be borrowed by the Board. The expression "temporary loan" in this article means loans repayable on demand or within six months from the date of the loan such as short-term cash credit arrangements, discounting of bills and issue of other short-term loans of seasonal character but does not include loans raised for the purpose of financing expenditure of a capital nature.

71. Subject to the provisions of the Act and these Articles, the Directors may, by resolution passed at the meeting of the Board and not by circular resolution, raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all the respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

72. Any bonds, debentures, debenture-stock, or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

73. Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

74. Subject to the provisions of the Act, and these Articles, any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending - (but not voting) at general meeting, appointment of Directors and otherwise provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

75. If any uncalled capital of the Company is included in or charged by way of any mortgage or other security by the Directors, the Directors, shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or if permitted by the Act may by instrument under the Company's seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to receive money payable on calls from the members in respect of such uncalled capital and the provisions herein before contained in regard to calls shall Mutatis Mutandis apply to calls under such authority may be made exercisable either presently or contingently and either to the exclusion of the Directors' powers or otherwise and shall be assignable if expressed so to be.

76. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors, may execute or cause to be executed any mortgage charge or security of, on, over or affecting the whole or any part of the assets of the Company, by way of indemnity to secure the Directors or any other person so becoming liable as aforesaid from any loss or in respect of such liability.

77. 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 including all floating charges on the undertaking or any property of the Company, and shall cause the requirements of Sections 11, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with (within the time prescribed by the said sections or such extensions thereof as may be permitted by the court or the Registrar) so far as they are to be complied with by the Company. The Company shall if at any time it issues debentures, keep a Register and Index of Debentures-holder in accordance with Section 152 of the Act.

GENERAL MEETING

78. The Statutory Meeting of the Company shall be held at such place and time (not less than one month nor more than six months from the date on which the Company is entitled to commence business) as the Directors may determine and in connection therewith the Directors shall comply with the provisions of Section 165 of the Act.

79. (1) The Company shall, in addition to any other meetings, hold a General Meeting (herein called an "Annual General Meeting") at the intervals and in accordance with the provisions herein specified. The Company shall hold its first Annual General Meeting within eighteen months from the date of the incorporation of the Company and if such General Meeting is held within such period, it shall not be necessary for the Company to hold any Annual General Meeting in the year of its incorporation or in the following year. Subject to the aforesaid provisions the Annual General Meeting shall be so held at least once in every calendar year and within six months after the expiry of each financial year and that not more than fifteen months shall elapse between the date of one Annual General Meeting and the next; provided however that if the Registrar of Companies shall have for any special reason extended the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual

Power to review.

Conditions on which money may be borrowed

Bonds, debenture etc. to be subject to control of Directors. Securities may be assignable free from equities.

Condition on which Bonds, Debentures etc. may be issued.

Mortgage of uncalled capital.

Indemnity to be given.

Register of mortgages etc. to be kept.

Statutory meeting

Annual General meetings.

(2) Every Annual General Meeting shall be called for at a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office is situated. The Company Secretary may, by a resolution passed at one Annual General Meeting, fix the time for its subsequent Annual General Meeting. The notice calling the meeting shall specify it as the Annual General Meeting.

Extraordinary
General Meeting

Directors may
call Extraordinary
General
Meeting

Calling of Extra-
ordinary General
Meeting on
requisition

80. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

81. The Board of Directors may call an Extraordinary General Meeting whenever they think fit.

82. (1) The Board of Directors shall on a requisition of such number or members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one tenth of such of the paid up capital of the Company upon which all calls or other money than due shall have been paid, as it the date carries the right of voting in regard to the matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.

(2) The requisition shall set out the matters for the consideration of which the meeting is to be called shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

(3) The requisition may consist of several documents of like form each signed by one or more requisitionists.

(4) Where two or more distinct matters are specified in the requisition the provisions of clause (1) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.

(5) If the Board of directors does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters proceed duly to call a meeting for the consideration of these matters or a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists 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 the paid up share capital of the Company as is referred to in Clause (1) above whichever is less.

(6) A meeting called under clause (5) above by the requisitionists or any of them shall be called in the same manner, as nearly as possible as that in which meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.

(7) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company by way of fees or other remuneration for their services of the Directors as were in default.

Notice of
Meeting

83. (1) A General Meeting of the Company may be called by giving not less than twenty meeting, one days notice in writing.

(2) However, a General Meeting may be called after giving shorter notice than twenty-one days, if the consent is accorded thereto

(i) in the case of an Annual General Meeting by all the members entitled to vote thereat; and

(ii) in the case of any other meeting by members of the Company 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 that meeting.

Contents of
Notice.

84. (1) Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be member of the Company.

Special
Business

85. (1) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to :-

(i) the consideration of the Accounts, Balance Sheet and Profit and Loss Account and the Report of the Board of Directors and the Auditors;

- (iii) the appointment of Directors in the place of those retiring.
 (iv) the appointment of and the fixing of the remuneration of the Auditors.
 (2) in the case of any other meeting all business shall be deemed special.

(3) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, 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 of the Manager, provided that there any system of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects any other company the extent of the share-holding interest in that other company of every Director and the Manager of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 20 per cent of the paid up share capital of that other company.

(4) Where any item of business to be transacted at the meeting of the Company consists of according the approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.

86. Notice of every meeting shall be given to every member of the Company in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act and by these Articles, it shall be given to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to them by name or by the title of the representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any in India supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred. Provided that where notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the company as provided in sub-section (3) of section 53 of the Act, the explanatory statement need not be annexed to the notice as required by section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Service for notice

87. Notice of every meeting of the Company and every other communication relating to any General Meeting of the company which any member of the Company is entitled to have sent to him, shall be given to the Auditor or Auditors for the time being of the Company, in the manner authorised by section 53 of the Act, as in the case of any member or members of the Company.

Notice to be given to the Auditors.

88. The accidental commission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the Meeting or the Resolutions passed thereat.

As to omission to give notice.

89. (1) Where, by any provision contained in the Act or in these Articles Special Notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served and the day of the meeting.

Resolutions requiring special notice.

(2) The Company shall immediately after the notice of the intention to move any such resolution has been received by it give its members notice of the resolution in the same manner as is given notice of the meeting or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other modes allowed by these Articles not less than seven days before the meeting.

PROCEEDINGS AT GENERAL MEETINGS

90. Twenty members entitled to vote and present in person shall be a Quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.

Quorum at General Meeting

91. If within half an hour after the time appointed for the holding of a General Meeting a quorum be not present the meeting if convened on the requisition of shareholders shall be dissolved and in every other case 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, time and place as the Directors may, by notice to the shareholders, appoint, if at such adjourned meeting a quorum be not present within half an hour those members present shall be a quorum and may transact the business for which the meeting was called.

Proceedings when quorum not present.

92. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Business at adjourned meeting.

93. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting, if there be no Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors may choose a Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair the members present shall choose one of the members to be the Chairman.

Chairman of the meetings.

94. (1) No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.

(2) If the poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles, the Chairman so elected on the show of

Business confined to election of Chairman whilst Chair vacant.

(3) If some other person is elected Chairman as a result of the poll he shall be Chairman for the rest of the meeting.

Chairman with consent may adjourn meeting.

95. The Chairman with the consent of any meeting at which a quorum is present, may adjourn any meeting from time to time and from place to place in the city or the town or village in which the Registered Office of the Company is situated.

Notice to be given where a meeting adjourned for thirty days more

96. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

What would be the evidence of the passing of a resolution where poll not demanded

97. At any General Meeting, a resolution put to the vote of the meeting shall unless a poll is (before or on the declaration of the result of the show hands) demanded be decided on a show of hands and unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll.

98. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by at least five members having the right to vote on the resolution and present in person or by proxy or by a duly constituted attorney in case the member is a Company or a Corporation either registered in India or abroad or by any member present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all the shares conferring that right. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

Time and manner of taking poll.

99. A poll demanded on any question (other than the election of the Chairman or on a question of adjournment which shall be taken forthwith) shall be taken at such place in the city, town or village in which the Registered Office of the Company is situated and at such time not being later than forty-eight hours from the time when the demand was made as the Chairman may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken, including the power to take the poll by open voting or by secret ballot and either at once or after the interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Scrutineers at poll.

100. When a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have the power, at any time, before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause. Of the two scrutineers appointed under this Article one 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.

Demand for poll not to prevent transaction of other business.

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

Resolution how decided in case of equality of votes.

102. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Reports Statements and Registers to be laid on the table.

103. 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 accounts), the proxy Register with proxies and the Register of Directors and Managing Director's or Manager's holding maintained under Section 307 of the Act. The Auditors' Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

Registration of certain Resolutions and agreements

104. A copy of each of the following resolutions (together with a copy of the statement of material facts annexed under Section 173 to the notice of the meeting in which such resolution has been passed) or agreements shall, within thirty days after the passing or making thereof, be printed or typewritten and duly certified under the signature of an Officer of the Company and filed with the Registrar

(a) Special resolutions;

(b) resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;

(c) resolutions of the Board or agreements relating to the appointment, re-appointment or

(d) resolutions or agreements which have been agreed by all the members or an class of shareholders but which if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner and all resolutions or agreements which effectively bind all the members or any class of share-holders though not agreed to by all those members

(e) resolutions requiring the Company to be wound up voluntarily passed in pursuance of subsection (f) of section 434 of the Act;

(1) resolutions passed by the Company according consent to the Board of its Directors to exercise any of the powers under clause (a), clause (d) and clause (e) of sub-section (1) of section 293 of the Act; and

(g) resolution passed by the Company approving the appointment of sole selling agents under section 294 of the Act.

A copy of every resolution which has the effect of altering the Articles of Association of the Company and a copy of every Agreement referred to in the above sub-clauses (c) and (d) shall be embodied in and annexed to every copy of the Articles issued after the passing of the resolution or the making of the Agreement.

105. The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 193 of the Act - by making, within thirty days of the conclusion of such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed 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 the Chairman within that period, by a Director duly authorised by the Board for that purpose. In no case the minutes of the proceedings or a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

Minutes of General Meetings.

106. The books containing the aforesaid minutes shall be kept at the Registered Office and be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with section 196 of the Act. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the company with a copy of the minutes on payment of fifty paise for every one hundred words or fractional part thereof required to be copied.

Inspection of minute books of General Meeting.

107. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or section 193 of the Act to be contained in the minutes of the proceedings of such meeting.

Publication of report of proceedings of General Meetings.

VOTES OF MEMBERS

108. Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy or in the case of a body corporate, also by a representative duly authorised under section 187 of the Act and Article 109 thereof.

Votes may be given by proxy or attorney.

108A. Subject to the Provisions of the Act and particularly of Sections 87, 88 and 92(2) thereof and of these Articles:—

Votes.

(1) Upon a show of hands every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a company as mentioned in Article 109) shall have one vote.

(2) Upon a poll the voting right of every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a Company present as aforesaid) or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid or partly paid) held by him bears to the total paid up equity capital of the Company.

(3) Upon a show of hands or upon a poll, the voting right of every member holding preference shares Sh311 be subject to the provisions, limitations and restrictions laid down in section 87 of the Act.

109. No member not personally present shall be entitled to vote on a show of hands unless such member is a corporation present by proxy or unless such member is a body corporate present by a representative duly authorised under section 187 of the Act or by a proxy in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

No voting by proxy on show of hands.

110. Any person entitled under the Transmission Article (Article 55 hereof) to transfer any shares may vote at any General Meeting in respect thereof as if he were the registered holder of such shares; provided that at least forty-eight hours before the time of holding of 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 Director may require, unless 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.

111. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such Committee or Guardian may, on a poll vote by proxy; if any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of

Voting by members of unsound mind and minors.

No member to vote unless calls are paid up.

112. Subject to the provisions of the Act no member shall be entitled to be present or to vote at any General Meeting either by personally or by proxy or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

Proxies.

113. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting.

Appointment of proxy.

114. Every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

Deposit of instrument of appointment

115. (1) The instrument of proxy shall be deposited at the office of the Company not less 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 of 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 except in the case of the adjournment of any meeting first held previously to the expiration of such time.

Inspection of proxies

(2) Every member entitled to vote at a meeting of the Company according to the provisions of these Articles of any resolution to be moved thereat shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of meeting, to inspect the proxies lodged at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company.

Form of Proxy.

116. An instrument appointing a proxy shall be in the following form or shall contain words to the following effect.

I/We _____ of _____ in the district of _____ being a member/members of the above named Company hereby appoint of in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the _____ day of _____ and at any adjournment thereof signed this _____ day of 19 _____

Custody of the instrument of proxy.

117. If any such instrument be confined to the object of appointing a proxy for voting at a meeting of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company and if embracing other objects a copy thereof, examined with the original, shall be delivered to the company to remain in the custody of the Company.

Validity of votes given by proxy notwithstanding death of members etc.

118. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy under which such proxy - was signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the office of the Company before the meeting.

Time for objections to vote.

119. Subject to the provisions of the Act and these Articles no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by a proxy or by any means hereby authorised and not disallowed at such meeting or poll shall be deemed valid for all the purposes of such meeting or poll whatsoever.

Chairman of any meeting to the judge of validity of any vote.

120. Subject to the provisions of the Act and these Articles the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting and subject as aforesaid validity said the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Number of Directors.

121. There shall not be less than three Directors and unless otherwise determined by the Company in General Meeting there shall not be more than 12 Directors.

Appointment of Directors.

122. (a) At least two-thirds of the total number of the Directors of the Company shall be appointed according to the principle of proportional representation, whether by the single transferable vote or by a system of cumulative voting or otherwise as may be determined by the Board of Directors provided however in case the Board of Directors determine such appointment to be made otherwise than by the single transferable vote such determination shall require the approval of the Company in general meeting.

(b) Upto one-third of the total number of Directors shall be nominated by the National Seeds Corporation Ltd. Government of India and by the Government in the proportion of preference shares held by them. -

(c) The appointments shall be made once in three years.

(d) The Directors so nominated shall be appointed once in every three years.

Vacancy how filled.

123. (i) If the office of any Director appointed in accordance with Article 122 is vacated before his term of office will expire in normal course, the resulting vacancy may be filled by the Directors, from the same category to which the Director's vacating office belonged.

(ii) Any person so appointed shall hold office only upto the date upto which the Director in

124. Omitted.

125. Except the nominee of the Government of India and the National Seeds Corporation Ltd., the qualification of a Director shall be the holding of one equity share.

Qualification
Directors

126. The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter "the Original Director") during his absence for the period of not than three months from the State of Punjab and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under the Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State of Punjab. If the term of Office of Original Director is determined before he so returns to the State of Punjab, any provision in the Act or in these Articles for the automatic re-appointment of the retiring Director in default or another appointment shall apply to the Original Director and not to the Alternate Director.

Appointment
alternate
Directors

127. Subject to the provisions of Section 260 and other applicable provisions (if any) of the Act, the Directors shall have power at any time and from time to time to appoint a person or persons as an Additional Director or Directors. The Additional Director shall hold office till the date of the next following Annual General Meeting but shall be eligible for re-appointment.

Appointment
Additional
Directors

128. (1) The remuneration of a Director for his services shall be the sum of Rs. 250 (Rupees Two hundred and Fifty) for each meeting of the Board or of one or more Committees of the Board attended by him or such lesser amount as the Directors may decide from time to time. Subject to the limitations provided by the Act, such additional remuneration, as may be fixed by the Directors may be paid to any one or more of the Directors for services rendered by him or them and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine and in default of such determination, equally. Such remuneration and/or additional remuneration may be by way of salary or commission as laid down in sections 309, 349, 350 and 351 on net profits or turnover by participation in profits or by any or all of those modes.

remuneration
Directors

(2) The Directors may, subject as aforesaid, allow and pay to any Director who is not a resident of the place where a meeting is to be held and who shall come to such place for the purpose of attending a meeting his actual expenditure for travelling, boarding, lodging and other expenditures in addition to his fees for attending such meeting as above specified, and the Directors from time to time fix the remuneration in addition to the fees laid down by Article 128 (1) to be paid to any member or members of their body constituting a Committee appointed by the Directors in terms of these Articles and may pay by the same.

Directors not
afide resident the
place which
meeting of Board
of Committee are
may receive
compensation and
remune.

(3) Subject to the provisions of Section 309 and 310 of the Act if any Director, being willing shall be called upon to perform extra services or to make any special exertion in going or residing out of the place where he normally resides or otherwise for any of the purposes of the company, the Company shall, subject as aforesaid such Director or where there is more than such Director to allot them together either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for the remuneration above provided.

Special remuneration to director going out of the place where he normally resides on company's business or otherwise performing services.

129. The continuing Directors may act notwithstanding any vacancy in their body; but so that subject to the provisions of the Act, if the number falls below the minimum number above and notwithstanding the absence of a quorum, the Directors may act for the purposes of filling up vacancies or for summoning a General Meeting of the Company.

Directors may act notwithstanding vacancy

130. (1) Subject to the provisions of Section 283 (2) of the Act, the office of a Director shall become vacant if :

When office of Directors to be come vacant.

(a) he is found to be 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 and by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure.

(e) any office or place or profit under the Company or any subsidiary thereof is held by him in contravention of Section 314 (1) of the Act; or

(f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months whichever is longer without obtaining leave of absence from the Board of Directors; or

(g) he becomes disqualified by an order of the court under Section 203 of the Act; or

(h) he is removed in pursuance of Section 284 of the Act; or

(i) 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

(j) he acts in contravention of Section 299 of the Act and by virtue of such contravention shall have been deemed to have vacated office; or

(k) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or

(l) he having been appointed a Director by virtue of his holding any office or other employment in the Company ceases to hold such office or other employment in the Company.

(2) Subject to the provisions of the act, a Director may resign his office at any time by giving notice in writing addressed to the Company or to Board of Directors.

Resignation.
Directors may contract with company.

131. (1) Subject to the provisions of sub-clauses (2), (3), (4) and (5) of this article and the restrictions imposed by Article 137 and the other Articles thereof and the Act and the observance and fulfillment thereof, no director shall be disqualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director, so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but it is hereby declared that the nature of his interest must be disclosed by him as provided by sub-clauses (2) and (4) thereof.

Disclosure of interest.

(2) Every Director who is in any way whether directly or indirectly concerned or interested in any 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 of Directors or as provided in clause (4) hereof.

When disclosure to be made.

(3) (a) in the case of a proposed contract or arrangement the disclosure required to be made by a director under sub-clause (2) above shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting concerned or interested, the Director concerned shall take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(b) in the case of any other contract or arrangements the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in this contract or arrangement.

General notice of interest

(4) For the purpose of this Article, a General Notice given to the Board of Directors by a Director to this 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 sufficient disclosure of his 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 further periods 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. The general notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read in the first meeting of the Board after it is given.

Article not to apply in certain cases

(5) Nothing in clauses (2); (3) and (4) hereof shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one of the Directors of the Company or two or more of them together holds or hold not more than 2 per cent of the paid-up share capital in the other company.

Registered Director not to participate or vote in Board's proceedings

(6) An interested Director shall not 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 directly or indirectly concerned or interested in the Contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions

Provided that his prohibition shall not apply;

(i) to 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 surety for the Company;

(ii) to any contract or arrangement 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 in his being a Director of such Company and 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 in his being a member holding not more than two per cent of the paid-up share capital of such Company whichever is greater.

(iii) in case a notification is issued under sub-section (3) of section 300 of the Act to the extent specified in the notification.

132. (1) The Company shall keep one or more Registers in accordance with Section 301 of the Act in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or Section 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely:

- a. the date of the contract or arrangement;
- b. the names of the parties thereto;
- c. the principal terms and conditions thereof;
- d. in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies, the date on which it was placed before the Board;
- e. the names of the Directors voting for and against the contract or arrangement and the names of those remaining natural.

(2) Particulars of every such contract or arrangement to which section 297 of the Act or as the case may be, sub-section (2) of Section 299 of the Act applies, shall be entered in the relevant Register aforesaid:

(a) in the case of a contract or arrangement requiring the Boards approval, within seven days (exclusive of Public holidays) of the meeting of the Board at which the contract arrangement is approved

(b) in the case of any other contract or arrangement, within seven days of the receipt at the Registered Office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement whichever is later, and the register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.

(3) The Register aforesaid shall also specify, in relation to such Director of the Company, the names of the firm and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.

(4) Nothing in the foregoing sub-clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials and services, if the value of such goods and materials or the cost of such service does not exceed one thousand rupees in the aggregate in any year. The Registers as aforesaid shall be kept at the registered office of the Company and they shall be open to inspection at such office and extracts may be taken from any of them and the 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.

133. A Director of this Company may be, or become a Director of any Company promoted by this Company, or in which it may be interested as a Vendor, member or otherwise and subject to the provisions of the Act and these articles no such Director shall be accountable for any benefits received as a Director or member of such Company.

134. A Director, Managing Director, Manager or Secretary of the Company shall within twenty days of his appointment to or relinquishment of his office as Director, Managing Director, Manager or Secretary in any other body corporate disclose to the company the particulars relating to his office in the other body corporate which are required to be specified under Section 303 (1) of the Act. The Company shall enter, the aforesaid particulars in a register kept for that purpose in conformity with Section 303 of the Act. The Company shall also furnish the aforesaid particulars to the Registrar in accordance with Section 303 (2) of the Act.

135. A Director or Manager shall give notice in writing to the Company of his holding of shares and debentures of the Company or its subsidiary, together with such particulars as may be necessary to enable the Company to comply with the provisions of Section 307. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter particulars of a Director's and Manager holding of shares and debentures.

Register of Contracts in which Directors are interested

Directors may be directors of Companies promoted by the Company Disclosure by Director appointment

Disclosure of holdings.

Directors not to hold office profit.

136. (1) Except with the consent of the Company accorded by a special resolution -

(a) no Director of the Company shall hold any office or place of profit, and

(b) no partner or relative of such a Director, no firm in which such a Director or relative is partner, no private company of which such a Director is a Director or member, and partner, no director or manager of such a private company shall hold any office or place of profit carrying a total monthly remuneration of five hundred rupees or more, except that of Managing Director, Manager, Legal, or Technical Adviser, Banker, or Trustee for the holders of Debentures of the Company.

(i) Under the Company; or

(ii) Under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the company or its holding company;

Provided that it shall be sufficient if the special resolution according to the consent of the company is passed at the General Meeting of the Company held for the first time after the holding of such office or places of profit;

Provided further that where a relative of a Director or a firm in which such relative is a partner, is appointed to an office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the General Meeting aforesaid or within three months from the date of the appointment, whichever is later.

Explanation :- For the purpose of this clause a special resolution according consent shall be necessary for every appointment in the first instance to an office or place of profit and to every subsequent appointment to such office or place of profit on a higher remuneration not covered by the special resolution except where an appointment on a time scale has already been approved by the special resolution.

(2) Nothing in clause (1) above shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the company or a subsidiary thereof having been appointed to such place of profit or office before such Director becomes a Director of the Company.

(3) If any office or place of profits is held in contravention of the provisions of clause (1) above, the director, partner, relative, firm or private company concerned shall be deemed to have vacated his or its office as such on and from the date next following the date of the General Meeting of the Company referred to in the first proviso or as the case may be, the date of the expiry of the period of three months referred to in the second proviso to that clause and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.

(4) Every individual, firm, private company or other body proposed to be appointed to any office or place of profit to which this Article applies shall, before or at the time of such appointment, declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways.

(5) Any office or place of profit shall be deemed to be an office or place of profit under the Company within the meaning of this Article -

(a) in case the office or place is held by a Director and the Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise;

(b) in case of office or place is held by an individual other than a Director or by any firm, private company or other body corporate, if the individual firm, private company, or body corporate holding it, obtains from the Company anything by way of remuneration, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.

Loans to Directors

137. The Company shall observe the restrictions imposed on it in regard to the granting of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any of the Act.

Board Resolution necessary for contract.

138. (1) Except with the consent of the Board of Directors of the Company, a Director of the company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm or a private Company of which the Director is a member or Director, shall not enter into any contract with the Company (a) for the sale, purchase or supply of any goods, materials or services or (b) for underwriting the subscription of any shares in or debentures of the Company.

(2) Nothing contained in the foregoing clause (1) shall affect:-

(a) The purchase of goods and materials from the Company, or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at the 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 the 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:

Provided that for the purpose of clauses (a) and (b) above such contracts do not relate to goods and services the value of which exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

(3) Notwithstanding anything contained in sub-clauses (1) and (2) above a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity enter, without obtaining the consent of the Board into any contract with the company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a meeting held within three months from the date on which the contract was entered into.

(4) Every consent of the Board required under this Article shall be accorded by a Resolution passed at a meeting of the Board and not otherwise; and the consent of the board required under clause (1) above shall not be deemed to have been within the meaning of that clause unless the consent is accorded before the contract into or within three months of the date on which it was entered into.

(5) If consent is not so accorded to any contract under this Article anything done in pursuance of the contract shall be voidable at the option of the Board.

(6) The Directors so contracting or being so interested shall not be liable to the company for any profit realised on any such contract or the fiduciary relation thereby established.

139. The Chairman of the Board of Directors of the Company shall be appointed by the Punjab Government.

"Appointment of Chairman"

140. (6) If the place of the retiring Director or Directors 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.

"Provisions in default of appointment."

(2). If at the adjourned meeting also, the place of the retiring Director or Directors is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director or Directors shall be deemed to have been reappointed at the - adjourned meeting unless

(a) at that meeting or at the previous meeting a resolution for the re-appointment of such Directors has been put to the meeting and lost. -

141. (1) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office.

Removal of Directors

(2) Special notice as provided by Article 89 and Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed. -

(3) On receipt of notice of any such resolution to remove a Director under this Article: the Company shall forthwith send a copy thereof to the Director concerned, and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company, shall unless the representation is received by it too late for it to do so (a) in the notice of the resolution given to the members of the company state the fact of the representation having been made; and (b) send a copy of the representation to every member of the company and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting, provided that copies of the -representations need not be sent or read out at the meeting if on the application either of the company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by the sub-clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this article may, if he had been appointed by the company in General Meeting or by the Board, in pursuance of Article 123 or Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed. Provided special notice of the -intended appointment has been given under sub-clause (2) hereof. A Director, so appointed shall hold office until the date up to which his predecessor would

(6) If the vacancy is not filled under sub-clause (5) it may be filled as a Casual Vacancy, in accordance with the provisions in so far they are applicable of Article 123 or section 262 of the Act and all the provisions of that Section shall apply accordingly.

(7) A Director who was removed from office under this Article shall not be appointed as Additional Director by the Board of Directors.

(8) Nothing contained in this article shall be taken

(a) as depriving a person removed thereunder of any compensation or damages payable on him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director; or

(b) as derogating from any power to remove a Director which exist apart from this Article.

INCREASE OR REDUCTION IN THE NUMBER OF DIRECTORS AND ALTERATION IN THEIR QUALIFICATION

The Company may increase or reduce number of Directors and alter their qualification.

142. Subject to the provisions of the Act and these Articles the Company may by ordinary Resolution from time to time increase or reduce within the maximum limit permissible the number of Directors. Provided that any increase in the number of Directors exceeding 15 shall not have any effect unless approved by the central Government and shall become void if and so far it is disapproved by that Government.

PROCEEDINGS OF BOARD OF DIRECTOR

Meeting of Directors.

143. The Directors may meet together as a Board for the despatch of business from time to time unless the Central Government by virtue of the proviso to Section 285 otherwise directs, and shall so meet at least once in every three months and at least four such meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of the Articles shall not be deemed to be contravened merely by reason of the fact that meeting or the Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum.

When meeting to be convened and notice thereof.

144. A Director or the Managing Director may at any time and the Managing Director upon the request of a Director shall convene a meeting of the Directors. Notice of every meeting of the Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India.

Quorum.

145. Subject to the provisions of Sections 287 and other applicable provisions (if any) of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength - of the Board of Directors (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 total strength, the number of remaining Directors, that is to say, the number of Directors who are not so interested and are present at the meeting not being less than two shall be the quorum during such meeting. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and directions by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.

Adjournment of meeting for want of quorum.

146. If a meeting of the Board cannot be held for want of quorum then the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday till the next successive day which is not a public holiday at the same time and place or such other places the Directors present at the meeting may fix.

Who to preside at meeting of the Board.

147. All meetings of the Directors shall be presided over by the Chairman if present, but if at any meeting of the Directors the Chairman, be not present at the time appointed for holding the same, then in that case, the Managing Director, if present, shall be the Chairman of the meeting if the Managing Director be also not present, then in that case, the Directors shall choose one of the Directors then present to preside at the meeting.

Question at Board Meeting how decided casting Vote.

148. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman of the meeting, whether the Chairman appointed by virtue of these Articles or the Directors presiding at such meeting, shall have a second or casting vote.

Directors may appoint Committees.

149. Subject to the provisions of section 292 of the Act and Article 159, the Directors may delegate any of their powers to committees and every Committee so formed shall in the exercise of their powers so delegated to it conform with any regulations that may from time to time be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as is done by the Board. Subject to the provisions of the Act, the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles and pay the same.

Meeting of Committees how to be conducted.

150. The meetings and proceedings of any such Committee consisting of two or more Directors 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 preceding Articles.

151 (1) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 149 shall subject to the provisions of clause 2 hereof and the Act, be as valid and effectual as a resolution passed at a meeting of the Board or of a Committee duly called and held.

Resolution by circulation.

(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all members of the Committee then in India (not being less in number than the quorum) for a meeting of the Board or the Committee as the case may be and to all other Directors or members of the Committee at their usual address in India and has been approved by such of the Directors members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.

(3) Subject to the provisions of the Act a statement signed by the Managing Director or other person authorised in that behalf by the Directors certifying the absence from India of any Director shall for the purpose of this Article be conclusive.

152. Subject to the provisions the Act and these Articles, all acts done by any meeting of the Directors by a Committee of Directors 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 person acting as aforesaid, or that they or any of them were or was disqualified or had vacated office or that the appointment 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; Provided that nothing in this Article shall be deemed to give validity to acts done by the Directors after their appointment had been shown to the Company to be invalid or to have been terminated.

Act of Board or Committee valid notwithstanding defect of appointment.

153. The Company shall cause Minutes of the Meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of section 193 of the Act. The Minutes shall contain a fair and correct summary of the proceedings of the meeting including the following:-

Minutes of proceedings of Boards of Directors and Committee to be kept.

(i) The names of the Directors present at the meeting of the Board of Directors or any Committee of the Board.

(ii) All order made by the Board of Directors or Committee of the Board and all appointments of officers and Committees of the Board.

(iii) All resolutions and proceedings of meetings of the Board of Directors and Committees of the Board.

(iv) In the case of each resolution passed at a meeting of the Board of Directors or Committee of the Board, the names of the Directors, if any, dissenting from or not concurring in the resolutions.

154. All such minutes shall be signed by the Chairman of the meeting as recorded or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall for all purposes whatsoever be Prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.

By whom minutes to be signed and the effect of minutes recorded.

POWERS OF DIRECTORS

155. (1) Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such act and things as the Company is authorised to exercise and do; Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act of any other law or by the Memorandum and Articles or otherwise to be exercised or done by the Company in General Meeting provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.

General Power of Directors

(2) 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.

156. The Board of Directors shall not except with the consent of the Company in General

(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;

Consent of company necessary for the exercise of certain powers.

(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 sub-clause (a) above or of any premises or properties used for any such undertakings and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(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 profit determined in accordance with the provisions of S. 349 and 350, whichever is greater.

157. (1) Without derogating from the powers vested in the Board of Directors under these Article the Board shall exercise the following powers on behalf of the company and shall do so only by means of resolution passed at meetings of the Board

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

Provided that the Board may by a resolution passed at a meeting delegate to any Committee of Directors or the Managing Directors or any other principal officer of the Company or to a principal officer of any of its branch offices, the powers specified in sub-clause (c), (d) and (e) of this clause to the extent specified below on such conditions as to Board may prescribe.

(2) Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount outstanding at any time up to which moneys may be borrowed by the delegate. Provided however, that where the company has an arrangement with its bankers for the borrowing of moneys by way of overdraft, cash credit or otherwise the actual day to day operation of the overdraft, cash credit or other account by means of which the arrangement is made is availed of shall not require the sanction of the Board.

(3) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount up to which the funds may be invested and the nature of the investment which may be made by the delegate.

(4) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount up to which loans may be made by the delegate, the purpose for which the loans may be made and the maximum amount of loan which may be made.

(5) Nothing contained in this Article shall be deemed to affect the right of the company in General meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in sub-clauses (a), (b), (c), (d) and (e) of clause (1) above.

158. Without prejudice to the powers conferred by Articles 70 and 149 and so 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 Article 159 and 160 it is hereby declared that the Directors shall have the following powers, that is to say, power:-

(1) To pay all cost, charges and expenses preliminary and incidental to the promotion, establishment and registration of the Company.

(2) To pay and charge to the capital of the company any commission or interest lawfully payable thereat under the provisions of sections 76 and 208 respectively of the Act and Article 13 and 170.

(3) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the Company and 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 or rights acquired by, or services rendered to the company, either wholly or partly in cash, or in shares, bonds, debenture-stock, mortgage 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 such bonds, debentures, debenture-stock, mortgage or other securities may be either specifically charged upon all or any part of the property of the Company and is uncalled capital or not so charged.

(5) To ensure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the company either separately or conjointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

(6) To open accounts with any bank or bankers or with any Company or firm and to pay money into and draw money from any such account from time to time as the Directors may think fit.

Certain powers to be exercised by the Board only at meetings.

Certain express powers of the Board

To pay preliminary and promotional costs and charges

To pay commissions and interests

To acquire property.

To pay for property in debentures and otherwise.

To insure properties of the Company.

To open accounts with bank.

(7) 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 other manner as they think fit.

To secure contract by mortgage.

(8) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the company such condition as to the transfer thereof as they think fit.

To attach conditions of transfer to any shares.
To accept surrender of shares.
To appoint trustees.

(9) To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock of any part thereof, so far as may be permissible by law.

(10) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company or 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 such trust and to provide for the remuneration of such trustee or trustees.

To bring and defend action.

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

(12) To refer any claim or demand by or against the Company or any difference to arbitration and observe and perform any awards made thereon.

To refer to Arbitration.
To act insolvency matters
To give receipts.

(13) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(14) To make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the company.

To authorise acceptances.

(15) 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 purposes.

(16) Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security and other investments (not being shares of this Company) or without security and in such manner as they think fit, and from time to time vary or realise such investments. Provided that save as permitted by section 49 of the Act all investments shall be made and held by the Company in its own name.

To investment.

(17) 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 as surety for the benefit of the Company upon such mortgage 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, covenants provisions and agreements as shall be agreed on.

To execute Mortgage.

(18) To distribute by way of bonus amongst the staff of the company a part of the profits of the Company, and to give to any officer or other person employed by the Company a Commission on the profit of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the company.

To distribute Bonus.

(19) Subject to the provisions of the Act, to give to any Officer or other person employed by the Company an interest in any particular business or transaction by way of a share in the general profits of the company, and such share of profits shall be treated as a part of the working expenses of the Company.

Arrangements for sharing profits.

(20) To provide for the welfare of the employees or ex-employees of the Company and its Directors or Ex-Directors and the wives, widows and families and the dependents or connection of such persons, by building or houses, dwellings or quarters or by grants of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payments, or by creating and from time to time subscribing or contributing to Provident and other funds, profit-sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction and re-education, hospitals and dispensaries, medical and other attendances and other forms of assistance, welfare or reliefs as the Directors shall think fit and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent religious, scientific, national, political, Public or any other institutions objects or purpose or for any exhibition.

To provide for welfare of employees and to subscribed to Provident Fund etc.

(21) Before recommending any dividend, to set aside out of the profits of the Company such sums based on sound financing practices in the seed industries for depreciation or to a depreciation Fund or funds/insurance Fund. General Reserve Fund, Sinking Fund or any special or other Fund or funds or account or accounts to meet contingencies or to pay redeemable Preference Shares, debentures or debenture-stock or special dividends, and for equalizing dividends, and for repairing, improving, extending and maintaining and part of the property of the company, and/or for such purposes (including the purposes referred to in the last two preceding sub-clauses) as the Directors may in their absolute discretion think conducive to the interests of the company and to invest the several sums so set aside or as much thereof as are required to be invested upon such investments (Subject to the restrictions imposed by the Act) as the Directors may think fit, and from time to time deal with and vary any such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital or moneys of the company might rightly be applied or expended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Directors may think fit and to employ the assets constituting all or any of the above funds or accounts including the Depreciation Fund appointed out of net profit in the business of the company or in the purchase or repayment of Redeemable Preference Shares, debentures, or debenture-stock and that without being bound to keep the same separate from the other assets, and without being bound, to allow or pay interest on the same with power, however, to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

To create depreciation and other funds.

- "To appoint employees"**
- (22) Subject to the provisions of the Act, to appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit and also without prejudice as aforesaid, 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 sub-clauses (24), (25), (26) and (27) following shall be without prejudice to the general powers conferred by this sub-clause.
- To comply with local laws.**
- (23) 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.
- Local Board.**
- (24) 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 any Local Board, or any managers or agents and to fix their remuneration.
- Designation**
- (25) Subject to the provisions of section 292 of the Act and Article 159 from time to time, and at any time to delegate to any such Local Board or any member or members thereof or any managers or agents so appointed any powers, authorities, and discretions for the time being vested in the Board of Directors; and to authorise the member 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 under this sub-clause shall be subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed; and may annual or vary any such delegation.
- Power of Attorney**
- (26) At any time and from time to time by power of Attorney 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 of Directors under these Presents and excluding the powers which may be exercised only by the Board of Directors at a meeting of the Board under the Act or these Articles or by the Company in General Meeting) and for such period and subject to such conditions as the Board of Directors may from time to time think fit and any such appointment may (if the Board of Directors think 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 members, directors, nominees or managers of any company, or firm or otherwise in favour of anybody or persons whether nominated directly or indirectly by the Board of Directors and any such power of attorney may contain power enabling any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in them.
- "To delegate"**
159. Subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretions vested in the Directors to any person, firm, company or fluctuating persons as aforesaid.
- "To enter into contracts etc"**
160. Subject to the provisions of the Act and these Articles for or in relation to any of the members 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 think in the name on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the company.
- "Appointment of Managing Director."**
161. Subject to the provisions of Companies Act, the Managing Director shall be appointed by the Government with the concurrence of the Government of India and shall be whole time.

162. Subject to the provisions of the Act and of these Articles the Managing Director/Directors shall not while he or they continue to hold that office subject to the provisions of any contract between him or them and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he or they shall ipso facto and immediately cease to be Managing Director or Managing Directors he or they cease to hold the office of the Director for any cause.

What provisions he shall be subject to.

163. The remuneration of the Managing Director or Managing Directors or a whole time Director or whole time Directors (subject to the provision of section 309 and other applicable provisions of the Act and of these Articles and or any contract between him or them and the company) shall be in accordance with the terms of his or their contract with the Company.

Remuneration of Managing Director

164. Subject to the provisions of the Act and to the terms of any Resolution of the Company in General Meeting or of any resolution of the Board and to the terms of any contract with him, the Managing Director shall function under the general superintendence, control and direction of the Board of Directors and subject to such limitation thereon as may be placed by them.

SECRETARY

165. The Directors may appoint a Secretary of the Company for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them. The main function of the Secretary shall be the responsibility for maintaining registers required to be kept under the Act, for making the necessary returns to the Registrar of Companies under the Act and for getting the necessary documents registered with the Registrar and for carrying out all other administrative and ministerial acts, duties and functions which a Secretary of a Company is normally supposed to carry out, such as giving the necessary notices to the members, preparing agendas of meeting, issuing notices to Directors, preparing minutes of meetings of members and of Directors and of any other statutory documents, and, he shall carry out and discharge such other functions and duties as the Directors or the Managing Directors may from time to time require him to do.

Registers, Books and documents to be maintained by the company.

REGISTERS, BOOKS AND DOCUMENTS

166. (1) The Company shall, maintain all Registers, Books and Documents as required by the Act or these Articles including the following, namely

(a) Register of investments not held in the Company's name according to section 49 of the Act.

(b) Register of Debenture and charges according to Section 143 of the Act.

(c) Register of Members and Index of Members according to section 150 and 151 of the Act.

(d) Register and Index of Debenture-holders according to Section 152 of the Act.

(e) Register of contracts and of Companies and Firms in which Directors are, interested according to Section 301 of the Act, and shall enter therein the relevant particulars contained in Sections 297 and 299 of the Act.V

(f) Register of Directors and Managing Directors according to Section 303 of the Act.

(g) Register of shareholdings and Debenture holdings of Directors according to section 307 of the Act.

(h) Register of investments in shares or debentures of bodies corporate according to section 272 of the Act.

(i) Books of Account in accordance with the provisions of section 209 of the Act.

(j) Companies of instruments creating any charges requiring registration according to section 138 of the Act.V

(k) Copies of Annual Returns prepared under section 159 of the Act together with the copies of certificate required under section 161.

(l) Register of Renewed and Duplicate certificate according to rule 7(2) of the Companies (Issue of share certificates) Rules, 1960.

(2) The said Registers, Books and Documents shall be maintained in conformity with the applicable Provisions of the Act and shall be kept open for inspection for such persons as may be entitled thereto respectively, under the act, on such days and during such business hours as may in that behalf be determined in accordance with the provisions of the Act, or these Articles and extracts shall be supplied to those persons entitled thereto in accordance with the provisions of the Act or those Articles.

(3) The Company may keep a Foreign Register of Members in accordance with sections 157 and 158 of the Act, Subject to the provisions of sections 157 and 158, the Directors may from time to time make such provisions as they may think fit in respect of the keeping of such Branch Registers of Members and/or Debenture-holders.

THE SEAL

- Seal 167. The Directors shall provide a Seal for the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and Directors shall provide for the custody of the seal for the time being, and seal shall never be used except by or under the authority of the Directors or a Committee for Directors previously given, and in the presence of a Director of the Company or such other persons appointed by the Directors for the purpose. The seal will be under the custody of Secretary.
- Deeds how executed 168. Subject to the provisions relating to the issue of share certificates, 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 of the Company, be signed by a Managing Director or Directors; provided nevertheless that certificates of debentures may be signed by one Director only or by the Secretary of the Company or by an Attorney of the Company duly authorised in this behalf and certificates of share shall be signed as provided in Article 13.
- Seal abroad. 169. The Company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors.

INTEREST OUT OF CAPITAL

- Payment of Interest out of Capital. 170. where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings 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 if 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 works or building or the provision of plant.

DIVISIONS

- Divisions of Profits. 171. The profits of the Company subject to the Provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that any capital paid on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide only entitle the holders of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid up during such period on such share.
- Capital paid up in advance at interest not to earn dividend. 172. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.
- Dividends in proportion to amount paid up 173. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.
- The company in General Meeting may declare a dividend. 174. The Company in General Meeting may, subject to the provisions of Section 205 of the Act, declare a dividend to be paid to the members according to their respective rights, and interests in the profits and subject to the provisions of the Act may fix the time for its payment. When a dividend has been so declared either the dividend shall be paid or the warrant in respect thereof shall be posted within 42 days of the date of the declaration to the shareholders entitled to the payment of the same.
- Power of Company to limit dividend. 175. No larger dividend shall be declared that is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed of the company or otherwise than in accordance with the provisions of sections 205, 206 and 207 of the Act and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the company shall be conclusive.
- Interim dividend 176. Subject to the provisions of the Act, the Directors may, from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.
- Retention of dividends until completion of transfer under Article 56 177. Subject to the provisions of the Act, the Directors may retain the dividends payable upon any shares in respect of which any person is under Article 54 thereof, 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. The provisions of this Article shall apply to any interest created in a share either by reason of transmission or by operation of law or otherwise.
- No member shall receive dividend whilst indebted to the Company and Company's right reimbursement 178. Subject to the provisions of the Act 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 person or persons; and the Directors may deduct from the interest or dividend payable to any member all sums of money due from him to the Company.
- Transfer of shares must be registered. 179. A transfer of shares shall not pass the right of any dividend declared thereon before the registration of the transfer.

180. Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the Registered Address of the member or person entitled to the share or in case of joint holders to that one of them first named in the Register in respect of the joint holding. 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 lost in transmission or for any dividend lost to the member or other person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

Dividends how
remitted

181. Dividends unclaimed or unpaid within forty-two days from the date of declaration will be transferred to a special account to be opened in any Scheduled Bank, to be called "Unpaid Dividend Account of Punjab State Seeds Corporation Limited" within seven days from the expiry of the said forty-two days in compliance with the provisions of the Act.

Unclaimed
Dividends

182. The Company will transfer the unpaid or unclaimed Dividends for a period of three years from the date of the aforesaid transfer pursuant to section 205 (1) to the general revenue account of the Central Government. The Company shall ensure compliance of the provisions of section 205 A and 205-B and other applicable provisions of the Act.

Transfer to
General revenue
Account

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

Dividend and call
together

CAPITALISATION

184. (1) The Company in General Meeting may resolve that any amount standing to the credit of the share premium Account or the Capital Redemption Reserve Account or any monies, investments, or other assets forming part of the undivided profits (including profits or surplus monies arising from the realisation) and where permitted by law from the appreciation in value of any capital assets of the company standing to the credit of the General Reserve any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend be capitalized:

Capitalisation

(a) By the issue and distribution as fully paid up shares of the Company:

(b) By crediting shares of the Company which may have been issued and are credited as partly paid up with the whole or any part of the sum remaining unpaid thereon:

Provided, that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

(2) Such issues and distribution under (1) (a) above and such payment to the credit of unpaid share capital under (1) (b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under (1) (a) or payment under (1) (b) above shall be made on the footing that such members become entitled thereto as capital.

(3) The Directors shall give effect to any such resolution and apply such portion of the profits, General Reserve or Reserve Fund or any other Fund or account as aforesaid as may be required

for the purpose of making payment in full for the shares of the Company so distributed under (1) (a) above or (as the case may be) for the purpose of paying in whole or in part the amount remaining unpaid on the shares which have been issued and are not fully paid under (1) (b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

(4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance allotment and sale of such shares and fractional certificates or other wise as they may think fit.

(5) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid up and others are partly paid only, such capitalisation may be affected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid share, with the whole or part of the unpaid liability thereof but so that as between the holders of the fully paid shares, and the partly paid shares the sums so applied on the payment of such further shares and in the extinguishment or diminution to the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.

(6) When deemed requisite a proper contract shall be filled in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

Books for Account to be kept.

185. (1) The Company shall keep at its Registered Office proper books of Account with respect to

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

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within seven days of the decision file with the Registrar a Notice in writing giving the full addresses, of that other place.

(2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarised returns made upto date at intervals of not more than three months shall be sent by the Branch Office of the Company to its Registered Office or other place in India, as the Board thinks fit where the main books of the Company are kept.

(3) All the aforesaid books shall give a true and fair view of the affairs of the Company or its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.

(4) The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

Books of account to be preserved

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

Inspection by Members of account and books of the Company

187. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspection of any account or book or document of the company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

Statement of Accounts to be furnished to General Meeting.

188. The Board of Directors shall lay before each General Meeting, a profit and loss account which shall relate :-

(a) in case of the first Annual General Meeting of the Company, to period beginning with the incorporation of the company and ending with a day which shall not precede the day of the meeting by more than nine months; and

(b) in case of any subsequent Annual General Meeting of the Company, to period beginning with the day immediately after the period for which the account was last submitted and ending with the day, which shall not precede the day of the meeting by more than six months, or in cases where an extension of time has been granted for holding the meeting under the second proviso to sub-section (1) of section 166 by more than six months and the extension so granted referred to in this Article as a "Financial Year" and it may be less or more than a calendar year but it shall not exceed fifteen months; provided nevertheless it may be granted in that behalf by the Registrar.

Balance Sheet and Profit and Loss account.

189. (a) Subject to the provisions of section 211 of the Act every balance sheet shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall, subject to the provisions of the said section, be in the form set out in part I of Schedule VI of the Act, or as near thereto as circumstances admit or in such other form as may be approved by the Central Government either generally or in any particular case, and in preparing the balance sheet due regard shall be had as far as may be to the general instructions for the preparation of the balance sheet under the heading "Notes" at the end of that part.

(b) Subject as aforesaid, every Profit and Loss Account shall give a true and fair view of the profit or loss of the Company for the financial year and shall subject as aforesaid, comply with the requirements of Part II Schedule VI of the Act so far as they are applicable thereto.

(2) There shall be annexed to every balance sheet a statement showing the bodies corporate (including separately the bodies corporate in the same group within the meaning of section 372 (2) of the Act in the shares of which investments have been made by it including all investment whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.

3) So long as the Company is holding a company having a subsidiary, the Company shall conform to section 212 and other applicable provisions of the Act.

(4) If in the opinion of the Board, any of the current assets the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated the fact that the Board is of that opinion shall be stated.

190. (1) Every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors; by the Secretary, if any, and by not less than two Directors of Company, one of whom shall be the Managing Director where there is one.

(2) Provided that when only one Director is for the time being in India, the Balance Sheet and Profit and Loss Account shall be signed by such a Director and in such a case there shall be attached to the Balance Sheet and the Profit and Loss Account Statement signed by him explaining the reason for non-compliance with the provisions of sub-clause (1) above.

(3) The Balance Sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report.

191. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report (including the Auditors' separate, special or supplementary reports, if any) shall be attached thereto.

192. (1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs the amounts if any, which it proposes to carry to any Reserve in such Balance Sheet, and the amount any, which it recommends to be paid by way of dividend and material changes and commitments if any affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the Balance Sheet relates and the date of the report.

(2) The Report shall, so far as it is material for the appreciation of the state of the company's affairs by its members, and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year the nature of the Company's business in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(3) The Board shall also give the fullest information and explanation in its reports or in cases falling under the proviso to section 222 of the act in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditors' Report.

(4) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorized shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clauses (1) and (2) of Article 190.

(5) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provision of clauses (1) to (3) of this Article are complied with.

193. The Company shall comply with the requirements of section 217 and 219 of the Act.

ANNUAL RETURNS

194. The Company shall make the requisite Annual Returns in accordance with the provisions of sections 159 and 161 of the Act, and shall file with the Registrar three copies of the Balance Sheet and Profit and Loss Account, in accordance with section 220 of the Act.

AUDIT

195. Once at least every year, the accounts of the Company shall be balanced and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditors as provided in the Act.

196. The Auditors of the Company shall be appointed or reappointed as per provisions of the companies Act.

197. Omitted

198. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch office of the company except to the extent to which any exemption may be granted by the Central Government in that behalf.

199. The remuneration of the Auditors of the Company shall be fixed by the Central Government.

200. (1) Every Auditor of the Company shall have the right of access at all times to the books and vouchers of the company kept at the Registered Office of the Company elsewhere and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of the duties of the Auditors.

(2) All notices of and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company, and the Auditor shall be entitled to attend General Meeting and to be heard at General Meeting which he attends on any part of the business which concerns him as Auditor.

Authentication of Balance sheet and Profit and Loss Account

Profit and Loss Account to be annexed and Auditors report to be attached to Balance sheet

Board's Report to be attached to Balance Sheet

Annual Returns

Accounts to be audited

Appointment of Auditors

Audit of Branch Office.

Remuneration of Auditors. Rights and duties of Auditors

Right to receive notice to General Meeting etc.

Auditors Report

(3) The auditor General aforesaid shall submit a copy of their audit report to the Comptroller and Auditor General of India, who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments upon or supplement to the audit report shall be placed before the ordinary meeting of the Company at the same time and in the same manner as the audit report:

(i) In the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year; and -

(ii) in case of the Profit and Loss Account, of the profit or loss for its financial year;

(4) The Auditor's Report shall also state :

(a) Whether he has obtained all the informations and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;

(b) Whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books, and proper returns adequate for the purposes of his audit have been received from branches not visited by him;

(c) Whether the report on the accounts of any branch office undited under section 228 by a person other than the Company's Auditor has been forwarded to him as required by clause (c) and sub-section (3) of that section and how he had dealt with the same in preparing the Auditor's Report;

(d) Whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account and returns.

(5) Where any of the matters referred to in Sub-clauses (i) and (ii) of clause (3) of this Article, or sub-clauses 4 (a), (b), (c), and (d) hereof is answered in the negative or with a qualification the Auditor's Report shall state the reasons for the answer.

(6) The accounts of the Company shall not be deemed as not having been, and the Auditor's Report shall not state that these accounts have not been properly drawn upon the ground merely that the Company has not disclosed certain matters if:

(a) those matters are such as the Company is not required to disclose by virtue of any provisions contained in the Act or any other Act; and

(b) these provisions are specified in the Balance Sheet and Profit and Loss Account of the Company.

Certain matters not to be disclosed.

Accounts when audited and approved to be conclusive except as to errors discovered within three months.

Service of documents how effected.

201. Every account when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and thenceforth shall be conclusive and a copy of the accounts as corrected should be filed with the Registrar.

DOCUMENTS AND SERVICE OF DOCUMENTS

202. (1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order judgement, or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address if and within India supplied by him to the Company.

(2) Where a document has been sent by post

(a) Service thereof shall be deemed to be effected by properly, addressing prepaying and posting a letter containing, the notice, provided that where a member has intimated to the company in advance that documents 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 shall not be deemed to be effected unless it is sent in the manner intimated by the member;

(b) Such service shall be deemed to have been effected

(i) in the case of a meeting, at the expiration of forty-eight hours after the letter containing the notice is posted; and

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course post.

Service on members having no registered address

203. If a member has no registered address in India and has supplied to the Company an address within India for giving notice to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day which on the advertisement appears.

204. A document may be served by the Company on the persons entitled to share in consequence of the death or insolvency of a member by sending it through the post in pre-paid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred

Services on person acquiring shares on death or insolvency of member.

205. Subject to the provisions of the Act and these Articles notice of General Meeting shall be given to members of the Company as provided by Article 86 in any manner authorised by Articles 203 and 204 as the case may be or as authorised by the Act.

Persons entitled to notice of General Meetings

(ii) to the persons entitled to a share in consequences of the death or insolvency of a member as provided by Article 204 or as authorised by the Act.

(iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by the Article of the Act in the case of any member or members of the Company.

206. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them, and not expressly provided for by these presents shall be deemed to be duly served or sent if advertised once in one daily English and one daily Vernacular newspaper, circulating in the district in which the Registered Office of the Company is situated.

Advertisement

207. Every person, who, by operation of law, transfer, or 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, shall be duly served or sent to the persons from whom he derives his title to such share.

Members bound by document given to previous holders

208. Any notice to be given by the Company shall be signed by the Managing Director or by such Directors or Officer as the Directors may appoint and such signature may be written or printed or lithographed.

Notice of company and signature thereto.

209. All notices to be given on the part of the members to the Company shall be left or sent by post under certificate of posting or by registered post to the Registered Office of the Company.

Service of notice by members.

AUTHENTICATION OF DOCUMENTS

210. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director or an authorised Officer of the Company and need not be under its seal.

Authentication of documents and Proceedings.

WINDING UP

211. If the Company shall be wound up, and the assets available for distribution among the members, as such, shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be possible the losses shall be borne by the members in proportion to the capital paid-up or, which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among members shall be more than sufficient to repay the whole of the capital paid up, at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of winding up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution of Assets

212. (1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidation may, with sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide amongst the contributories, in specie or kind any part of the assets of the Company in Trusts upon such trusts for the benefit of the contributories or any of them as the liquidation with the like sanction shall think fit.

Distribution of assets in specie of kind.

2. If thought expedient, any such decision may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part; but in case any decision otherwise than in accordance with the legal rights of the contributories shall be determined, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to section 494 of the Act.

(3) In case any of the shares to be divided as aforesaid involve liability to calls or otherwise, any person entitled under such division to any of the said shares, may within ten days after the passing of the Special Resolution by notice in writing intimate to the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall if practicable act accordingly.

213. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act, may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with the existing rights and any such determination shall be binding upon all the members subject to the rights, dissent and consequential rights conferred by the said section.

Right of Share holders in case of sale.

SECURITY CLAUSE

Secrecy clause

214. (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 transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matter related 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 the 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 the Company's works without the permission of the Directors or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the Managing Director it will be inexpedient in the interest of the members of the company to communicate to the public.

INDEMNITY AND RESPONSIBILITY -

Directors and others right to indemnity.

215. (a) Subject to the provisions of Section 201 of the Act, every Director of the Company or the Managing Director, Manager, Secretary and other officer or employee of the Company and the Trustee (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, Managing Director, Officer or employee and the trustees (if any) for the time being acting in co-relation to any of the affairs of the Company may incur or become liable to by reason of any contract entered into or any act or deed done by him as such Director, Officer or servant or in any way in the discharge of his duties.

(b) Subject as aforesaid every Director, Managing Director, Manager, Secretary or other officer or employee of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings, whether Civil or Criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.

Not responsible for acts of others.

216. Subject to the provisions of section 201 of the act, Director or the Managing Director or other officer of the Company shall be liable for the acts, omissions, neglects, defaults of any other Director or officer for joining in any omission or other act for conformity, or for any loss of expenses suffered by the company through insufficiency or deficiency of the title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company, shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act or any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of Judgement or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty, willful neglect or default.

We, the several persons whose names and addresses and descriptions are hereunder subscribed, are desirous of being formed into a Company in pursuance of these Articles of Association and respectively agree to take the number of shares in the capital of the company opposite to our respective names.

Name, address, occupation and signature of subscribers	Number of Equity Shares taken by each subscriber	Name, address description and occupation of witness
(1)	(2)	(3)
Governor of Punjab For the Governor and on his behalf Shri Paramjit Singh, I.A.S., Development, Commissioner and Secretary to Govt., Punjab. Development and Agriculture Departments (Govt. Service) Sd/- Paramjit Singh	One	Bhagat Singh Under Secretary to Government Punjab, Agricultural Deptt. Sd/- Bhagat Singh
Shri D.P. Singh, Chairman National Seeds Corporation Limited, New Delhi (Public Sector Service) Sd/- D.P. Singh	One	Sd/- Bhagat Singh
Sh. N.S. Maini Managing Director National Seeds Corporation Limited, New Delhi (Govt. Service) Sd/- N.S. Maini	One	Sd/- Bhagat Singh
Sh. S.P. Bagla, I.A.S., Commissioner for Finance, and Secretary to Government, Punjab, Finance Department (Govt. Service) Sd/- S.P. Bagla	One	Sd/- Bhagat Singh
Smt. J. Khanna, I.A.S. Officer on Special Duty Seeds Project, Punjab Government, Agriculture Department (Govt. Service) Sd/- J. Khanna	One	Sd/- Bhagat Singh
Shri H.V. Krishnamurthy, I.A.S., Deputy Secretary of Government, Punjab, Agriculture Department (Govt. Service) Sd/- H.V. Krishnamurthy	One	Sd/- Bhagat Singh
Shri Pritam Singh Hoshiarpuri, Director of Agriculture, Punjab Govt. (Service) Sd/- P. Singh	One	Sd/- Bhagat Singh