

where the certificate or document is found, or received by the owner, it shall be returned to the Company.

- (c) Where the value of the Shares or debentures represented by the certificate or document is greater than ten thousand rupees, the Directors shall, before accepting an application for the issue of a duplicate certificate or document, require the applicant to furnish such indemnity as the Directors consider to be adequate against any loss following the production of the original certificate or document.

12. PLEDGE OF SHARES

- (a) The Company shall keep a register, at its Registered Office or at such other place as may be notified to the Registrar pursuant to Section 190(4) of the Act, in which pledges of Shares or debentures shall be inscribed stating that the pledgee holds the Shares or debentures not as owner but in pledge of a debt, the amount of which shall be mentioned. A pledge shall be sufficiently proved by the inscription in that register.
- (b) If the pledgee so requires, there shall be delivered to him a certificate, signed by the Secretary, which shall enumerate the number of Shares given in pledge and the amount and nature of the debt in respect of which the pledge was constituted.
- (c) Subject to the terms and conditions of the pledge, the owner of the Shares given in pledge shall continue to be the party entitled to attend General Meetings of the Company and to vote with respect to such Shares and to cash all dividends in respect thereof.

13. PROCEDURE FOR MAKING CALLS

- (a) The Board may, from time to time, make such Calls as it thinks fit in respect of any amount unpaid on Shares and not made payable at a fixed time or times by the conditions of issue, and each Shareholder shall, subject to receiving at least fourteen (14) days' written notice specifying the time or times and place of payment, pay to the Company at the time or times and place so specified the amount called; a Call so made may be revoked or postponed as the Board may determine.
- (b) A Call may be made payable at such times and in such amount as the Board may determine.
- (c) The joint holders of a Share shall be jointly and severally liable to pay all Calls in respect thereof.
- (d) Where an amount called in respect of a Share is not paid on or before the time appointed for payment thereof, the person from whom the amount is due shall pay interest on that amount from the time appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent (10%) per annum as the Board may determine; the Board may waive, wholly or partly, any interest payable hereunder.
- (e) Any amount which by the terms of issue of a Share becomes payable on issue or at any fixed time shall for all purposes be deemed to be a Call duly made and payable at the time at which by the terms of issue the same becomes payable and, in case of non-

payment, all the relevant provisions of this clause relating to payment of interest and expenses, forfeiture or otherwise shall apply as if the amount had become payable by virtue of a Call duly made and notified.

- (f) The Board may, on the issue of Shares, differentiate between the holders as to the amount of Calls to be paid and the times of payment.

14. FORFEITURE OF SHARES

- (a) Where any person fails to pay any Call or any instalment of a Call for which such person is liable at the time appointed for payment, the Board may, at any time thereafter, serve notice on such person requiring payment of the amount unpaid together with any interest which may have accrued.
- (b) The notice under clause 14(a) shall name a further day, not earlier than the expiration of fourteen days from the date of service of the notice, on or before which the payment required by the notice shall be made, and shall state that, in the event of non payment on or before the time appointed, the Shares in respect of which the amount was owing are liable to be forfeited.
- (c) Where the requirements of the notice under clause 14 (b) are not complied with, any Share in respect of which the notice has been given may be forfeited, at any time before the required payment has been made, by resolution of the Board to that effect; Any forfeiture under this clause shall include all dividends and bonuses declared

in respect of the forfeited Share and not actually paid before the forfeiture.

- (d) A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board in its sole discretion thinks fit and, at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board thinks fit; Where any forfeited Share is sold within twelve (12) months of the date of forfeiture, the residue, if any, of the proceeds of sale after payment of all costs and expenses of such sale or any attempted sale and all amounts owing in respect of the forfeited Share and interest thereon shall be paid to the person whose Share has been forfeited.
- (e) A person whose Share has been forfeited shall cease to be a Shareholder in respect of the forfeited Share, but shall, nevertheless, remain liable to pay to the Company all amounts which, at the time of forfeiture, were payable by such person to the Company in respect of the Share, but liability shall cease if and when the Company receives payment in full of all such amounts.
- (f) A declaration in writing by a Director that a Share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of such fact as against all persons claiming to be entitled to the Share.
- (g) The Company may receive the consideration, if any, given for a forfeited Share on any sale or disposition thereof and may execute a transfer of the Share in favour of the person to whom the Share is

sold or disposed of, and such person shall then be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall such person's title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

15. SUSPENSION OF RIGHT TO DIVIDENDS AND LIEN

15.1. Notice of suspension of right to Dividends

- (a) If a Shareholder fails to pay any Call (or instalment of a Call) on the day appointed for payment, the Board may at any time after that date, while any part of the Call or instalment payable by the Shareholder remains unpaid, suspend payment of any Dividends payable to the Shareholder
- (b) The amount owing under the Call for the purposes of clauses 15.1, 15.2 and 15.3 may include any interest which may have accrued and all expenses which may have been incurred by the Company by reason of non-payment by the Shareholder of the amount owing under the Call.

15.2. Application of suspended Dividends

All Dividends suspended pursuant to clause 15.1(a) may be applied by the Company to reduce the amount owing under the Call. Dividends so applied will be deemed to have been paid in full.

15.3. Lifting suspension of right to Dividends

When the total Dividends withheld and applied under clause 15.2 equal the total amount owing under the Call, including amounts owing under clause 15.1(b), the suspension of the right to Dividends will be lifted and all rights to be paid Dividends on the shares will resume.

15.4. Lien

- (a) The Company shall have a first and paramount lien upon every Share registered in the name of a Shareholder (whether solely or jointly with others) and upon the proceeds of sale of those Shares. This lien shall be for:
 - (i) all money payable (whether presently or not) in respect of Shares held by the Shareholder;
 - (ii) all other money presently payable by the Shareholder to the Company on any account whatever; and
- (b) The lien extends to all Dividends from time to time declared in respect of the Shares.

15.5. Sale on exercise of lien

- (a) Subject to this clause, the Company may sell in such a manner as the Board thinks fit any Shares on which the Company has a lien. No sale may be made until:

- (i) a sum in respect of which the lien exists is due and payable;
 - (ii) a notice in Writing stating, and demanding payment of, the amount due and payable (in respect of which the lien exists) has been given to the current registered holder of the Share (or the person entitled to that Share by reason of the registered holder's death or bankruptcy); and
 - (iii) fourteen (14) days have expired since the giving of that notice.
- (b) The net proceeds of the sale of any Shares sold for the purpose of enforcing a lien shall be applied in or towards satisfaction of any unpaid Calls, instalments or any other money in respect of which the lien existed. The residue, if any, shall be paid to the former holder of the Shares.
- (c) For giving effect to any sale enforcing a lien in purported exercise of the powers given in this Constitution, the Board may authorise some person to transfer the Shares sold to the purchaser. The purchaser will be registered as the holder of the Shares comprised in the transfer and will not be bound to see to the application of the purchase money, nor will the purchaser's title to the Shares be affected by an irregularity or invalidity in the proceedings in reference to the sale. The remedy of any person aggrieved by the sale will be in damages only, and against the Company exclusively. If the certificate for the Shares is not delivered up to the Company, the Board may issue a new certificate distinguishing it as the Board thinks fit from the certificate not delivered up.



16. DISTRIBUTIONS

16.1. Solvency Test

- (a) Notwithstanding section 61(1)(b) of the Act but subject to clause 16.2, the Board may, if it is satisfied on reasonable grounds that the Company will satisfy the Solvency Test immediately after the Distribution, authorise a Distribution by the Company to Shareholders of any amount and to any Shareholder as it thinks fit.
- (b) The Directors who vote in favour of a Distribution shall sign a certificate stating that, in their opinion, the Company will satisfy the Solvency Test immediately after the Distribution.

16.2. Distribution in Specie

- (a) Subject to clause 7.7, the Directors on making a Distribution and/or on declaring a Dividend may resolve that the payment of such Distribution or Dividend be made wholly or in part by the Distribution of specific assets, and in particular of paid up shares, debentures, debenture stock, bonds or other obligations of any other company or in any one or more or such ways.
- (b) Where any difficulty arises in regard to the Distribution, whether in respect of clause 16.2(a) or clause 7.7, the Directors may settle the same as they think expedient and in particular may fix the value for Distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Shareholder

upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such assets in trustees upon such trust for the persons entitled to the Dividend as may seem expedient to the Directors. Where requisite a proper contract shall be filed in accordance with the Constitution and the Board may appoint any person to sign such contract on behalf of the persons entitled to the Distribution or Dividend, and such appointment shall be effective.

- (c) Notwithstanding clause 16.2(b), the cash consideration of any Shares distributed shall be the value of the Shares as may be determined by the Board.

16.3. Dividends payable pari passu

The Board may not authorise a Dividend in respect of some but not all the Shares in a Class; or of a greater amount in respect of some Shares in a Class than other Shares in that Class except where:

- (a) the amount of the Dividend is reduced in proportion to any liability attached to the Shares under this Constitution;
- (b) a Shareholder has agreed in Writing to receive no dividend, or a lesser dividend than would otherwise be payable;

unless it is paid out of retained earnings, after having made good any accumulated losses at the beginning of the Accounting Period.

16.4. Interim dividend

The Board may from time to time pay to Shareholders such interim dividend as in their judgment the financial situation of the Company allows.

16.5. Discounts to Shareholders

- (a) The Board may pursuant to a discount scheme resolve that the Company shall offer to Shareholders discounts in respect of some or all goods sold, or services provided by, the Company.
- (b) The discount scheme shall be one where the Board has previously resolved that the proposed discounts:
 - (i) are fair and reasonable to the Company and all Shareholders; and
 - (ii) will be available to all Shareholders or to all Shareholders of the same Class on the same terms.
- (c) The discount scheme shall not be approved or continued by the Board unless the Board is satisfied, on reasonable grounds, that the Company will satisfy or is satisfying the Solvency Test.

16.6. Financial assistance on acquisition of shares

Subject to and in accordance with section 81 of the Act the Company may, give financial assistance (whether directly or indirectly) to a person for the purpose of,

or in connection with, the purchase of Shares issued (or to be issued) by the Company.

17. ISSUE OF STATEMENT OF RIGHTS TO SHAREHOLDER

- (a) The Company shall issue to any Shareholder on request, a statement that sets out:
 - (i) the Class of Shares held by the Shareholder, the total number of Shares of that Class issued by the Company, and the number of Shares of that Class held by the Shareholder;
 - (ii) the rights, privileges, conditions, and limitations, including restrictions on transfer, attaching to the Shares held by the Shareholder; and
 - (iii) the rights, privileges, conditions, and limitations attaching to the Classes of Shares other than those held by the Shareholder.
- (b) The Company shall not be obliged to provide a Shareholder with a statement under clause 17(a), if:
 - (i) a statement that complies with clause 17(a)(i) to (iii) has been provided within the previous six (6) months;
 - (ii) the Shareholder has not acquired or disposed of Shares since the previous statement was provided;

- (iii) the rights attached to the Shares have not been altered since the previous statement was provided; and
 - (iv) there are no special circumstances which would make it unreasonable for the Company to refuse the request.
- (c) A statement issued pursuant to clause 17(a) shall state in a prominent place that it is not evidence of title to the Shares or of the matters set out in it.

18. EXERCISE OF POWERS RESERVED TO SHAREHOLDERS

18.1. Powers reserved to Shareholders

- (a) Powers reserved to Shareholders of the Company by the Act or by this Constitution may be exercised at a General Meeting.
- (b) Unless otherwise specified in the Act or this Constitution, a power reserved to Shareholders may be exercised by an Ordinary Resolution.

18.2. Special Resolutions

When Shareholders exercise a power to approve any of the following, that power may only be exercised by a Special Resolution:

- (a) an alteration to or revocation of this Constitution or the adoption of a new Constitution;

- (b) a Major Transaction, subject however to section 130 of the Act;
- (c) an Amalgamation;
- (d) the liquidation of the Company.

Any decision made by Special Resolution pursuant to this clause may be rescinded only by a Special Resolution, provided that a resolution to put the Company into liquidation cannot be rescinded.

18.3. Management review by Shareholders

- (a) The Chairperson of any General Meeting shall give the Shareholders a reasonable opportunity to discuss and comment on the management of the Company.
- (b) A General Meeting may pass a resolution which makes recommendations to the Board on matters affecting the management of the Company.
- (c) Notwithstanding section 107 of the Act or any other clause in this Constitution, a resolution, other than a special resolution, relating to the management of the Company passed at a General Meeting (in accordance with clause 18.3(b)) is not binding on the Board.

18.4. Company to purchase Shares of dissenting Shareholder

- (a) A Shareholder may require the Company to purchase his Shares where:

- (i) a Special Resolution is passed under clause 18.2(a) for the purposes of altering the Constitution of the Company with a view to imposing or removing a restriction on the business or activities of the Company, or clause 18.2(b) or (c); and
 - (ii) the Shareholder casts all the votes attached to Shares registered in his name and for which he is the beneficial owner against the resolution; or
- (b) A request under clause 18.4(a) shall be addressed to the Company by the dissenting Shareholder by notice in Writing within fourteen (14) days of either the passing of the resolution at a General Meeting or the date on which notice of the passing of the written resolution is given to him.
- (c) Upon receiving a notice from a dissenting Shareholder given under clause 18.4 (b), the Board shall:
 - (i) agree to the purchase of the Shares by the Company from the Shareholder giving the notice; or
 - (ii) arrange for some other person to agree to buy the Shares; or
 - (iii) apply to the Court under section 112 or section 113 of the Act for an order exempting the Company from the obligation to purchase the Shares; or
 - (iv) arrange, before taking the action concerned, for the Special Resolution entitling the Shareholder to give the notice, to be

rescinded by a Special Resolution, or decide in the appropriate manner not to take the action concerned; and

- (d) The Board shall within twenty-eight (28) days of receipt of the notice under clause 18.4 (b) give written notice to the dissenting Shareholder of its decision under clause 18.4 (c).
- (e) Where the Board agrees to the Company purchasing the Shares, pursuant to clause 18.4(c)(i), it shall do so in accordance with section 110 of the Act.
- (f) The Board may also require a dissenting Shareholder to sell his Shares to the Company at a fair price when the Board considers it is in the best interest of the Company so to do. It shall be deemed to be in the best interest of the Company when:
 - (i) an injunction is sought under section 169 of the Act against any action proposed to be taken by the Company or the Board; or
 - (ii) a derivative action, or leave to issue a derivative action under section 170 of the Act is lodged before court; or
 - (iii) any action is issued against the Company or the Board pursuant to sections 174, 175 and 178 of the Act
- (g) for the purposes of clause 18.4(f), the fair price shall be the quoted price of the Shares on the official list .
- (h) where the Board requires a Shareholder to sell his Shares pursuant

to clause 18.4(f), it shall send a notice to that effect to the Shareholder and the provisions of sections 110(2) to (12) and 69 and 70 of the Act shall apply.

19. GENERAL MEETINGS

19.1. Annual Meetings

- (a) The Board shall call an Annual Meeting of Shareholders to be held:
 - (i) not more than once in each year;
 - (ii) not later than six (6) months after the Balance Sheet Date of the Company; and
 - (iii) not later than fifteen (15) months after the previous Annual Meeting.
- (b) The Company shall hold its first Annual Meeting within eighteen (18) months of its incorporation.
- (c) The business to be transacted at an Annual Meeting shall, unless already dealt with by the Company, include:
 - (i) the consideration and approval of the financial statements;
 - (ii) the receiving of any auditor's report;

- (iii) the consideration of the annual report;
- (iv) the appointment of any Directors including those whose annual appointment is required by the Act;
- (v) the appointment of any auditor pursuant to Section 200 of the Act; and
- (vi) the remuneration of any Director and of the auditor.

19.2. Special Meetings

A Special Meeting may be called at any time by the Board and shall be so called on the written request of Shareholders holding Shares carrying together not less than five per cent (5%) of the voting rights entitled to be exercised on the issue.

19.3. Chairperson

- (a) Where the Directors have elected a Chairperson of the Board, and the Chairperson of the Board is present at a General Meeting, he shall chair the General Meeting.
- (b) Where no Chairperson of the Board has been elected or if, at any General Meeting, the Chairperson of the Board is not present within fifteen (15) minutes of the time appointed for the commencement of the General Meeting, the Directors present shall elect one of their number to be Chairperson of the General Meeting.
- (c) Where no Director is willing to act as Chairperson, or where no

Director is present within fifteen (15) minutes of the time appointed for holding the General Meeting, the Shareholders present may choose one of their number to be Chairperson of the General Meeting.

19.4. Notice of General Meetings

- (a) Written notice of the time and place of a General Meeting shall be sent to every Shareholder entitled to receive notice of the General Meeting and to every Director, secretary and auditor of the Company not less than fourteen (14) days before the General Meeting.
- (b) The notice shall state:
 - (i) the nature of the business to be transacted at the General Meeting in sufficient detail to enable a Shareholder to form a reasoned judgment in relation to it; and
 - (ii) the text of any Special Resolution to be submitted to the General Meeting.
- (c) Any irregularity in a notice of a General Meeting shall be waived where all the Shareholders entitled to attend and vote at the General Meeting attend the General Meeting without protest as to the irregularity, or where all such Shareholders agree to the waiver.
- (d) Any accidental omission to give notice of a General Meeting to, or