

THE COMPANIES ACT, 1956.
ARTICLES OF ASSOCIATION
OF
NATURAL CAPSULES LIMITED
(COMPANY LIMITED BY SHARES)

Table 'A' not apply but Company to be governed by these articles.

1. No regulations contained in table 'A' in the first schedule to the Companies Act, 1956 or in the schedule to any previous companies Act shall apply to this company, but the regulations for the management of the company, and for the observance of the members thereof and their representatives, shall, subject to any exercise of the statutory power of the company with 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 or contained in these Articles

INTERPRETATION

INTERPRETATION Clause

2. 1) In the interpretation of these Articles, unless repugnant to the subject or context

"The Company or This Company".

- a) "The Company" or "This Company" means NATURAL CAPSULES LIMITED"

"The Act"

- b) "The Act" means The Company's Act, 1956" and any statutory modification or reenactment thereof for the time being in force.

"Annual General Meeting".

- c) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provisions of the Section 166 of the Act..

"Auditor"

- d) "Auditors" means and includes those persons appointed as such for the time being by the company.

"Board" or "Board of Directors"

- e) "Board" or "Board of Directors" means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board of the Directors of the company collectively.

"Capital"

- f) "Capital" means the share capital for the time being raised or authorized to be raised, for the purpose of the company.

"Debenture"

- g) "Debenture" includes debenture stock.

"Directors"

- h) "Directors" means the Directors for the time being of the company or as the case may be, the Directors assembled at a Board.

"Extraordinary General Meeting"

For Natural Capsules Ltd


Managing Director

- i) "Extraordinary General Meeting" means an Extraordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.

"Member"

- j) "Member" means the duly registered holder from time to time of the shares of the company and includes the subscribers of the Memorandum of the Company.

"Meeting or General Meeting"

- k) "Meeting or General Meeting" means a meeting of members.

"Month"

- l) "Month" means a calendar month.

"Office"

- m) "Office" means the Registered Office for the time being of the Company.

"Ordinary Resolution".

- n) "A Resolution shall be an Ordinary Resolution when at a General Meeting of which the notice required under the Act has been duly given, the votes (whether on a show of hands, or on a poll as the case may be) in favour of the resolution (including the casting vote, if any, of the Chairman) by members, who, being entitled so to do, vote in person, or where proxies are allowed by proxy, exceed the votes if any, cast against the Resolution by members so entitled and voting.

"Paid-up"

- o) "Paid-up" includes credited as paid up.

"Persons"

- p) "Persons" includes corporation and firms as well as individuals .

"Register of Members"

- q) "Register of Members" means the Register of Members to be kept in pursuant to the Act.

"Registrar"

- r) "Registrar" means Registrar of Companies of the State in which the office of the company is for the time being situated.

"Secretary"

- s) "Secretary" means any individual possessing qualifications prescribed for the time being by Rules made under the Act and appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties.

"Seal"

- t) "Seal" means the Common Seal for the time being of the Company.

"Share"

- u) "Share" means Share in the Share Capital of the Company and includes stock except where a distinction between stocks and Shares is expressed or implied.

"Special Resolution"

- v) "A Resolution shall be a Special Resolution when :
- a) the intention to propose the Resolution as a Special Resolution has been duly specified in the notice calling the General Meeting or other intimation given to the members of the Resolution;
 - b) the notice required under the Act has been duly given of the general meeting and

- c) the votes cast in favour of the resolution (whether on a show of hands, or on a poll as the case be) by members who, being entitled so to do vote in person or where proxies are allowed, by proxy, or not less than three times the number of the votes, if any, against the resolution by members so entitled and voting.

"Written and in Writing".

- w) "Written and in Writing" include printing, lithography and other modes of representing or reproducing words in a visible form.

"Year and Financial Year"

- x) "Year" means calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2 (17) of the Act.

"Singular Number"

- y) Words importing the singular number include where the context admits or requires the plural number and vice-versa.

"Gender"

- z) Word importing the masculine gender also include the feminine gender.

- 2) The marginal notes used in these Articles shall effect the construction here of.
- 3) Save as aforesaid any words or expressions defined in the Act shall if not inconsistent with the subject or context, bear the same meaning in these Articles.

SHARE CAPITAL

Increase of Capital :

- 3. The Company may, from time to time, by ordinary resolution increase the share capital by such sum to be divided into share of such amount, as may be specified in the resolution.

Reduction of Capital :

- 4. The Company, may by special resolution, reduce in any manner and with, subject to, any incident authorized and consent required by law:
 - a) it's share capital ;
 - b) any capital redemption reserve fund; or
 - c) any share premium account.

Consolidation / sub-division of capital :

- 5. The Company may by ordinary resolution :
 - a) Consolidate and divide all or any of it's share capital into shares of larger amount than it's existing shares;
 - b) Sub-divide it's existing shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provision of clause d of sub section (1) of Section 94.
 - c) Cancel any share which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.

Redeemable preference shares :

6. Subject to the provision of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner the terms and conditions of redemption.

Modification of Rights:

7. Whenever the capital, by reason of the issue of the preference shares or otherwise is divided into different classes of shares all are any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by Agreement between the Comp[any and any person purporting to contract on behalf of that class, provided such that Agreement is ratified in writing by holders of at least three fourths in the nominal value of the issued shares of the class or is confirmed by a special Resolution passed at a General Meeting of the holders of shares of that class.

Interest on Capital:

8. The Company shall pay interest in capital subject to Section 208 of the Companies Act, 1956.
(inserted vide special Resolution passed at the Annual General Meeting dated 30-9-1993).

SHARES AND CERTIFICATES

Register and Index of Members:

9. The Company shall cause to be kept a Register and Index of Members, in accordance with sections 150 and 151 of the Act.

Share to be numbered progressively and no share to be subdivided:

10. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein after mentioned, no share shall be subdivided. Every forfeited or surrendered shares shall continue to bear the number by which the same was originally distinguished

Shares under control of Directors:

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

Power also to Company in general Meeting to issue shares:

12. The Company in general meeting may, subject to the provision of section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the company) shall be offered to such person (whether a member or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, as such general Meeting shall determine and the full power give any person (whether a member or not) the option to call or be a allotted shares of any class of the Company, either (subject to compliance with provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment for disposal of any shares.

Acceptance of Shares:

13. Any 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 on the Register shall, for the purposes of these Articles, be a member.

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

14. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inception of the name of the allottee in the Register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Members:

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

Share Certificate:

16. a) "The Share Certificates shall be issued in market lots and where share certificates are issued in either more or less than market lots, subdivision or consolidation of share certificates into market lot shall be done free of charge".
b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

17. a) If a share certificate is defaced, lost or destroyed, it may be renewed on such terms, if any, as to evidence and indemnity and the payment out of pocket expenses incurred by the Company in investigating evidence, as the Director think fit.
- b) 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, preservations and safe custody of all books and documents relating to the issue of share certificates.

The first named of joint holders deemed sole holder:

18. If any share stands in the name of two or more persons, the person first named in the Register shall as regards receipts of dividends or bonus or service of notices and all are any other matter connected with Company, except voting at meeting, and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's Regulations.

Company not bound to recognize any interest in share other than that of registered holders:

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

Directors may make calls:

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

Notice of calls:

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

Calls to date from resolution:

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

Call may be revoked or postponed:

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

Liability of joint holder:

24. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Director may extend time:

25. The Board may from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

Calls to carry interest:

26. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding eighteen percent per annum, but nothing in this Article shall render it obligatory for the board to demand or recover any interest from any such member. The Board shall be at liberty to waive payment of such interest wholly or in part.

Sums deemed to be calls:

27. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these Articles be deemed to be a call duly made payable on a date on which by the terms of the issue the same becomes payable, and in case of nonpayment, all the relevant provisions of these Articles as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Partial payment not to preclude forfeiture:

28. Neither the receipt by the Company of a portion of any money which shall form from time to time due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

Payment in anticipation of calls may carry interest:

29. a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time and at any time there after as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or

allow interest, at such rate as the member paying in advance and the Board agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving to the member three months notice in writing provided that, moneys paid in advance of calls on any shares may carry interest, but shall not confer a right to dividend or to participate in profits.

b) No members paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

Company to have lien on shares:

30. The Company shall have a first and paramount lien upon all the shares (other than fully paid up share) registered in the name of each member (whether or solely or jointly with other) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 18 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed to, registration of a transfer of shares shall operate as a waiver of Company's lien if any, on such shares.

As to enforcing lien by sale:

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

Application of proceeds of sale:

32. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any, shall (subject to a like lien sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARES

33. If a member fails to pay any call or installment of call, on the day appointed for payment thereof, the Board may, at anytime there after during such time as any part of a call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued.

The notice aforesaid shall:

- 34. a) Name a further day, (day being earlier than the expiry of fourteen days from the date of service of notice) on or before which the payment required by the notice is to be made; and
 - b) state that, in the event of non- payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited .
- 35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any point there after, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 36.a) A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board think fit.
 - b) At any time before a sale or disposal has aforesaid the Board may cancel the forfeiture on such terms as it thinks fit.
- 37. a) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
 - b) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.
- 38. a) A duly verified declaration in writing that the declarant is the Director, the Manager, or the Secretary of the Company and that shares in the Company has been duly forfeited on a date stated in declaration shall be conclusive evidence of the facts therein stated as against all person claiming to be entitled to the shares.
 - b) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof or may execute a transfer of the shares in favour of the persons to whom the share is sold or disposed of.
 - c) The transferee shall there upon be registered as the holder of the share
 - d) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be effected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 39. The provision of these regulation as to forfeiture shall apply in the case of non-payment of any sum in which, by terms of issue of a share become payable at a fixed time, whether on account of the nominal value of the share or by the way of the premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

- 40. 1) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- 2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

- 3) "No fees shall be charged for registration of shares, registration of any power of attorney, probate, letter or administration or other similar documents".
 "No fees shall also be charged for registration of transfers or issue of new certificates in replacement of those which are old, decrepit, worn out or where the cages on the reverse for recording transfers have been fully utilized".
- 41) Subject to provisions of Section 108, the shares in the company shall be transferred in form No. 7B, Given under clause 20 of Table A of Schedule to the Act..
- 42) The Board may subject to the right of appeal conferred by Section 111, decline to register;
- a) The transfer of a share not being a fully paid share, to a minor : or
 - b) Any transfer of shares on which the Company has a lien
 - c) Any transfer of shares for the reasons stated under Section 22A of the Securities Contracts. (Regulation) Act, 1956 and for no other reason.
 - d) "The registration of transfer shall not be refused on the ground that, the transferor is either alone or jointly with any other person / person indebted to the Company on any account whatsoever."
- 43) On giving not less than seven days previous notice by advertisements in some newspaper circulating in the district in which the office is situated, the transfer of books and Register of Members may be closed during such time as the Board thinks fit, not exceeding in the whole forty-five days in each year, but, not exceeding thirty days at a time.
- 44) The Company shall without making any charges register every probate, letters of administration, certificate of death or marriage, power of Attorney, or other instruments.
45. If the Company refuses to register the transfer of shares or debentures, the Company shall within two months from the date on which the instrument of transfer was lodged in the Company sent to the transferee and transferor notice of the refusal.

TRANSMISSION OF SHARES

- 46) 1) On the death of a member, the survivor or survivors, where the member was joint holder and his legal representative, where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.
 2) Nothing in clauses (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been held jointly by him with other persons.
- 47) 1) Any person becoming entitled to a share in consequence of a death or insolvency of a member may, upon such evidence being produced as may

from time to time properly be required by the Board subject to herein after provided, elect either :

- a) To be registered himself as holder of the share; or
 - b) To make such transfer of the share as the deceased or insolvent member could have made.
- 2) The Board shall in either case, have the same right to decline or suspend registration as it would had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 48) 1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- 2) If the person aforesaid shall elect to transfer the share he shall testify his election executing the transfer of the share.
- 3) All the limitation, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid, as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
- 49) A person becoming entitled to a share by reason of death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled, if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the company.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS:

Copies or Memorandum and Articles of Association to be sent by the Company

- 50) Copies of the Memorandum and Articles of Association of the Company and the other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupees One for each copy.

BORROWING POWERS

Power to borrow:

- 51) Subject to the provisions of Sections 292 and 293 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of call or otherwise, generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company provided, however, where the money is to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its reserves (not being reserves set apart for any specific purpose), the board shall not borrow such moneys without the consent of the Company in General Meeting.

Payment or repayment of moneys borrowed:

- 52) Subject to provisions of Article 50 hereof, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution shall prescribe, including by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future),including its uncalled capital for the time being; and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue of Debentures:

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

Register of mortgages etc., to be kept :

- 54) 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 all Company and shall cause the requirements of the Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf, to be duly complied with, so far they fall to be complied with by the Board.

Register and index of Debenture holder:

- 55) The Company shall if at any time it issues debentures keep a Register and index of Debenture holders in accordance with Section 152 of the Act.

CONVERSION OF SHARE INTO STOCK AND RECONVERSION

Share may be converted into stock:

- 56) The Company may convert any fully paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth Transfer their respective interest therein or any part of such interest, in the same manner and subject to the same regulations as and subject to which shares from which the stock arise might have been transferred, if such conversion had taken place or as near thereto as circumstance will admit. The Company may at any time convert any stock into fully paid up shares of any denomination.

Right of stockholders:

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

MEETINGS OF MEMBERS

- 58) All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings.
- 59) 1) The Board may, whenever thinks fit, call an Extraordinary General Meeting
2) If at any time, there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an Extraordinary General Meeting in the same manner as nearly as possible, as that in which such a meeting may be called by the Board.
- 60) No business shall be transacted at any General Meeting unless a quorum of members is present at the time other meeting proceeds to business. The quorum is fixed at five members personally present.
- 61) a) The Chairman if any of the Board shall preside as Chairman at every General Meeting of the Company.
b) If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or unwilling to act as Chairman of the meeting, the Directors present shall elect one of their member to be Chairman of the meeting.
c) If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their member to be the Chairman of the meeting.
- 62) If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting if called upon the requisition of members shall stand dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and the place and to such other day and at such other time and place as the Board may determine. If at the adjourned meeting, a quorum is not present, within half an hour from the time appointed for the meeting, the members present shall form a quorum.
- 63) 1) The Chairman may, with the consent of any meeting at which the quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and place to place.
2) No business shall be transacted at any adjourned meeting other then the business left unfinished at the meeting from which the adjournment took place.

- 3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.
- 4) Same as afore said, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

Ordinary and Special Resolutions:

- 64) 1) A resolution shall be an ordinary resolution when at a General Meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the resolution (including the casting vote if any, of the Chairman) by members who, being entitled to do so vote in person or where proxies are allowed by proxy exceed the votes if any, cast against the resolution by members so entitled and voting.
- 2) A resolution shall be as special resolution when
 - a) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the General Meeting or other intimation given to the members of the resolution.
 - b) the notice required under this Act has been duly given of the General Meeting; and
 - c) the votes cast in favour of the resolution (whether on a show of hands, or on a poll, as the case may be) by members who, being entitled to do so, vote in person or where proxies are allowed by proxy are not less than three times the number of votes, if any, cast against the resolution by members so entitled and voting.
- 65) The Board of Directors shall, for each General Meeting, depute one or more of their members or officer or officers to reply to any specific questions put there at by the members, the terms where of have been communicated in writing at least one month before hand to the Directors or which arise out of the Agenda. No replies need be given unless such deputed persons choose to any question of which such notice has not been given or which does not arise out of the Agenda. The chairman's decision as to the relevancy of question shall be final. Replies given by such deputed persons shall alone be deemed authoritative and considered as part of the proceedings of the meeting.

Members in arrears not to vote:

- 66) No member shall be entitled to vote, either personally or by proxy, at any General Meeting or meeting of a class of share holders, either upon a show of hands or upon a polling respect of any share registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has and has exercised any right of lien.

Number of votes to which member identified

- 67) Subject to the provisions of these Articles without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show

of hands, every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be proportion to his share of the paid up equity share capital of the Company. Provided, however, if any preference share holders be present at any meeting of the Company same as provided in Clause (b) of Sub-Section {2} of Section 87, he shall have a right to vote only on resolutions placed before the meetings which directly affect the rights attached to his preference shares.

Casting of votes by a member entitled to more than one vote:

- 68) On a poll taken at a Meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for a as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

How members non competent and minor may vote:

- 69) 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 his guardians, if more then one to be selected in case of dispute by the Chairman of the Meeting.

Vote of Joint Members:

- 70) If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled there to but the proxy so appointed shall not have any right to speak at the meetings and, if more than one of such joint holders be present at any meeting, that one of the said persons so present whose names stands higher on the register shall alone be entitled to speak and to vote in respect of such shares, but, the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose Company, in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

Voting in person or by proxy:

- 71) Subject to the provision of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorized in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by the Proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

Votes in respect of shares of deceased and insolvent member:

- 72) Any person entitled under Article 46 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holders of such shares, provided that, forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he purpose to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Appointment of proxy:

- 73) Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a Corporation under a common seal of such Corporation or be signed by an officer or any attorney duly authorized by it any committee or guardian may appoint such proxy. The proxy so appointed shall not have any such right to speak at the meetings.

Proxy either for specified meeting or for the period:

- 74) An instrument of proxy may appoint a proxy either for the purpose of particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

Proxy to vote on poll:

- 75) A member present by proxy shall be entitled to vote only on a poll.

Deposit of instrument of appointment:

- 76) The instrument appointing a proxy and the power of Attorney or other authority (if any), under which it is signed or a notary certified copy of that power or authority, shall be deposited at the office not later than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from date of its execution.

Form of Proxy:

- 77) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

Validity of votes given by proxy notwithstanding death of member:

- 78) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principle, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that, no intimation in writing of the death or insanity,

Revocation or transfer shall have been received at the office before the meeting.

Time for objections of votes:

- 79) No objection shall be made to the validity of any vote except at any meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy, not disallowed at such meeting or whole, shall be deemed valid for all purpose of such meeting or whole what so ever.

Chairman of the meeting to be the judge of validity of any vote:

- 80) The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Minutes of General Meeting and inspection thereof by members:

- 81) 1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
2) Each page of every such book shall be initialed or signed and the last page of the record of proceeding 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 authorized by the Board for the purpose.
3) In no case the minutes of proceedings of the meetings shall be attached to any such book as aforesaid by pasting or otherwise.
4) The Minutes of each meeting shall contain a fair and correct summary of the proceeding there at.
5) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
6) Nothing herein contained shall require or be deemed require the inclusion in such minutes of any matter which in the opinion of the Chairman of the meeting:
a) Is or could reasonably be regarded as defamatory of any person : or
b) is irrelevant or immaterial to the proceedings : or
c) is detrimental to the interest of the Company.
d) The Chairman of the Meeting shall exercise an absolute discretion in regard the inclusion or non inclusion of any matter in the minutes on the aforegrounds.
7) Any such minutes shall be evidence of the proceedings recorded there in.
8) The book containing the minutes of the proceedings of General Meetings shall be kept at the office of the Company and shall be opened during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.
* 81A) The Company may charge an amount of not exceeding Rs.10/- or such higher amount as may be prescribed under Companies Act, 2013 read with relevant Rules, for every page of document required by the Members of the Company/Others.

- The amendment approved in Annual General Meeting held on 27/08/2014 by Special Resolution.

DIRECTORS

*82) a)i:-The Company shall have not less than three and not more than fifteen Directors. No share qualification is necessary for any individual for being appointed as a Director of the Company.

ii) The Company may have combined post of Chairman and Managing Directors/CEO or Chairman from Independent Directors."

iii) The first Directors of the Company are:

1. Sri.Laxminarayan Mundra
2. Sri.Satyanarayana Mundra
3. Sri.Sunil L.Mundra
4. Sri Sushil Kumar Mundra
5. Smt. Indira Mundra
6. Smt. Sharada Mundra
7. Sr.Mani C.Kappan

b) Remuneration of every Director for attendance at the meeting of the Board shall be such sum as may be determined by the Board from time to time, but such remuneration shall not exceed the amount prescribed by the central Government from time to time per meeting of the Board. The directors shall be entitled to receive such traveling allowances and expenses as may be fixed by the Board from time to time whenever they travel on the business of the Company.

c) Right of company to increase or reduce the number of Directors:

Subject to the provision of Section 252, 255 and 259 of the Companies Act, 1956, a Company in General Meeting may, by ordinary resolution, increase or reduce the number of its Directors with the limits fixed on that behalf by its Article.

83. Whenever a vacancy occurs in the Board of Directors unless by retirement as provided for in the succeeding Articles the vacancies shall be filled up by co-option by the directors of a person who has the necessary qualification to become a Director who should obtain the necessary qualification within two months of such co-option. Any director or directors so appointed shall hold office till the succeeding ordinary General Meeting when his or her continuance or otherwise, shall be decided upon by the General Meeting

84. The continuing Director may act notwithstanding any vacancy in their body, but, if and so long as their number is below the fixed under Clause 82 (a) supra, they may act for the purpose of increasing the number of Directors to that number or of summoning a General Meeting of the Company and for no other purpose.

85. 1) The Board shall have power at any time and from time to time to appoint a person as an additional Director who shall hold office until the next following General Meeting.

2) Such person shall however be eligible for appointment by the Company at that meeting as Director, after the meeting has, if necessary increase the number of Directors.

3) The Board at the request of the financial institutions can appoint nominee Directors. The nominee director appointed so, is not liable to retire by rotation.

* The amendment approved in Annual General Meeting held on 27/08/2014 by Special Resolution.

For Natural Capsules Ltd

Managing Director

86. At every annual General Meeting in every year, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one third shall retire from office. However, ex-officio Director are not liable to retire by rotation. The word ex-officio Director means any Managing Director, whole time Director / s for the time being holding office as such.
87. a) The Directors to retire in every year shall be those who have been longest in office since their last election, but, as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
b) Subject to the provision of Section 280 and 281 of the Companies Act, 1956, a retiring Director shall be eligible for re-election.
88. The Company at the General Meeting at which a Director retires in a manner aforesaid, may fill up the vacated office by electing a person thereto,
89. If at any meeting at which an election of the Directors ought to take place, the places of the vacating Directors are not filled up, the meeting shall stand adjourned till the same day in the next week, at the same time and place, and if at the adjourned meeting, the places of vacating Directors are not filled up the vacating Directors are such of them as have not had their places filled up, shall be deemed to have been re-elected at the adjourned meeting.

Appointment of Directors to be voted on individually:

90. 1. At a General Meeting of the Company the motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made as first been agreed to by the meeting without any vote being given against it.

Qualification of Directors:

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

Remuneration of Directors:

92. 1) Subject to provisions of the Act, a Managing Director or Director, who is in the whole time employment of the Company, may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profit of the Company or partly by one may or partly by the other.
2) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:
i) by way of monthly quarterly or annual payment; or
ii) by way of commission if the Company by a special resolution authorized such payment
93. The Directors may elect a Chairman of their meeting and determine the period for which he is to hold office, if no such chairman is elected or if at any time the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their member to be Chairman of their meeting.

When office of Directors to become vacant:

94. Subject to Sections 283(2) and 314 of the Act, the office of a Director shall become vacant if:

- a) he is found to be of unsound mind by a court of competent jurisdiction; or
- b) he applies to be adjudicated an insolvent; or
- c) he is adjudged an insolvent; or
- d) he fails to pay any call made on him in respect of shares of the Company held by him; whether alone or jointly with others, within six months from the date fixed for the payment of such call the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
- e) he becomes disqualified by an order of the Court under Section 203 of the Act
- f) he is removed in pursuance of Section 284; or
- g) 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
- h) he acts in contravention of Section 299 of the Act; or
- i) he is convicted by a Court for an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- j) having been appointed a Director by virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company; or
- k) he resigns his office by a notice in writing addressed to the Company.

MANAGING DIRECTOR / WHOLE - TIME DIRECTOR

Board may appoint Managing Director:

95. 1) The Board may, subject to the provisions of the Act and these Articles from time to time appoint any of its member as the Managing Director of the Company upon such terms and condition as the Board shall think fit, provided that such appointment or reappointment shall but exceed 5 years and he shall not while he continues to hold that office be subject to retirement by rotation, but, he shall be reckoned as a Director for fixing the number of Director to retire.
- 2) The Managing Director shall except such powers which the Act expressly directs or requires to be exercised or done by the Company in General Meeting or by the Directors in the Board meeting and also when the Board otherwise decide, be entitled to the management of the whole affairs of the Company subject however, to the control and directions of the Board of Directors.

Board may appoint whole time / working Director / s:

- 3) Subject to the provisions of the Act and to the subject of the approval of the Central Government if any, required in that behalf the Board may appoint one or more of their body, as whole time Director / s or working Director / s on such designation and on such terms and conditions as they may deem fit. The whole time Directors or working Directors shall perform duties and exercise such powers as the Board may from time to time determine and they shall exercise all such powers and perform all such duties subjects to the control supervision and direction of the Managing Director, the remuneration payable to such Directors

shall be determined by the Company in General meeting subject to the approval of the Central Government if any.

NOMINEE DIRECTOR

Restrictions on management:

- 96) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to The Industrial Development Bank Of India (IDBI), The Industrial Financial Corporation of India (IFCI), The Industrial Credit and Investment Corporation Of India Limited (ICICI) and The Life Insurance Corporation Of India (LIC). or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is herein after in this Article referred to as ("The Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of under writing or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non whole time, (which Director or Directors is / are herein after referred to as "Nominee Director / s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person / persons in his or their place / s.

The Board of Directors of the Company shall have no power to remove from office the nominee Director / s. At the option of the Corporation such nominee Director /s shall not be required to hold and share qualification in the Company. Also at the option of the Corporation such nominee Directors shall not be liable to retirement by rotation of the Directors. Subject as aforesaid, the nominee Directors shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The nominee Directors so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation hold debentures in the Company as a result of Direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of under writing or Direct subscription or the liability of the Company arising out of the Company is outstanding and the nominee Director /s so appointed in the exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold debentures / shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the nominee Director /s is / are member / s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the nominee Director / s sitting fees an expense to which the other Directors of the Company are entitled but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company the fees, commission, moneys or remuneration in relation to such Nominee Director /s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such nominee Director / s in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be such nominee Director/s.

Provided that , if any such nominee Director /s is an officer of the Corporation the sitting fees in relation to such Nominee Director / s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

In the event of the nominee Director / s being appointed as whole time Director/s such nominee Director / s shall exercise such powers and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company such whole time Director / s shall be entitled to receive such remuneration his fees, commission and moneys as may be approved by the Corporation.

Certain persons not to be appointed Managing Directors:

- 97) The Company shall not appoint or employ or continue the appointment or employment a person as it a managing Director who:
- a) is an undischarged insolvent, or has at time being adjudged as insolvent;
 - b) suspends or has at any time suspended, payment to its creditors or makes or has at any time made a composition with them ; or
 - c) is or has at any time been convicted by a court for an offence involving moral turpitude.

PROCEEDING OF THE BOARD OF DIRECTORS

Meeting of Directors:

- 98) The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet atleast once in every three months and atleast four such meetings shall be held every year. The Directors may adjourn and otherwise regulated their meetings as they think fit.

Notice of meetings

- 99) Notice of every meeting of the Board of 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 to every other Director.

Quorum:

- 100) The quorum for a meeting of the Board shall be one third of its total strength, (excluding Directors, if any whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors which ever is higher. Provided that where at any time the number of interested Directors exceed or is equal to two thirds of the total strength the number of remaining Directors that is to say the number of Directors who are not interested present at a meeting being no less than two, shall be the quorum during such time.

Adjournment of meeting for want of quorum:

- 101) If a meeting of the Board could not be held for want of quorum, then, the meeting shall automatically stand adjourned to such other date and time(if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

Power of Board Meeting:

- 102) A meeting of the Board for the being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Article of the Company are for the time being vested in or excusable by the Board generally.

Directors may appoint committees:

- 103) Subject to the restriction contained in Section 292 of the Act, the Board may delegate any of their power to committees of the Board consisting of such members of its body as it think fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed on it by the Board. All Acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but, not otherwise shall have the like force and effect, as if done by the Board.

Meeting of Committee, how to be governed:

- 104) The meeting and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating in the meeting and proceedings of the Directors, so far as the same or applicable there to and are not superseded by any regulations made by the Directors under the last preceding Article.

Resolution by circulation:

- 105) No resolution shall be deemed to have been duly passed by the Board or by a Committee by circulation unless the resolution has been circulated in draft

together with the necessary papers if any, to all the Directors or their alternate or to all the members of the committee then in India (not being less in number than the quorum fixed for a meeting of the Board or 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 a majority of such Directors or members of the committee as or entitled to vote on the resolution.

Acts of Board or committee valid not withstanding informal appointment:

106) All Acts done by any meeting of the Board or by a committee of the Board or by any person acting as a Director shall not withstanding that it shall afterwards be discovered that, there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act, or in these Articles be as valid as if every such person had been duly appointed, and was qualified to be Director and had not vacated his office or appointment had not been terminated; provided that nothing in this Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Minutes of proceedings of meetings of the Board:

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

Powers of Directors:

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

- a) sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
- b) remit or give time for repayment of , any debt due by a Director;
- c) invest otherwise than interest, securities, the amount of compensation received by the Company in respect of the Compulsory acquisition of any such undertakings as is referred to in Clause (a) or any premises or properties used for such under taking without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

- d) borrow moneys where the moneys to be borrowed, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at the meetings of the Board unless the same be delegated to the extent therein stated;
- 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 fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Certain powers of the Board:

109. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:
- 1) to pay the costs, charges and expenses preliminary and incidental to the promotion, establishment and registration of the Company;
 - 2) to pay and charge the capital account of the Company any commission or interest lawfully payable thereto under the provisions of Sections 76 and 208 of the Act;
 - 3) subject to Sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized 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 purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
 - 4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
 - 5) to secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;

- 6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- 7) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration so such trustee or trustees;
- 8) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any difference to arbitration, and observe and perform any awards made thereon;
- 9) to act on behalf of the Company in all matter relating to bankrupts and insolvents;
- 10) to make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- 11) subject to the provisions of the Sections 292, 295, 369, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company) or without security and in such manner as they think fit and from time to time to vary or realize such investments. Save as provided in Section 49 of the Act, all investment shall be made and held in the Company's own name;
- 12) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- 13) to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority of such purpose;
- 14) to distribute by way of bonus amongst the staff of the Company share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- 15) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families of the dependents or connections of such persons by building or contributing to the

building houses, dwelling or chawls or by grant of money, pension, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit ; and to subscribe or contribute or otherwise to assist or guarantee money to charitable, benevolent, religious, scientific or national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

- 16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or to an Insurance Fund or as a Reserve Fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest in several sums so set aside or so much there of as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Board in their absolute discretion think conducive in the interest of the Company notwithstanding the matter to which the Board apply or upon which they expend the same, or any part thereof may be matters to or upon which the capital moneys of the Company may rightly be applied or expended; and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund and with full power to employ the assets constituting all or any of the above funds including the depreciation funds, in the business of the Company or in the purchase or repayment of debentures or debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest at such rate as the Board may think proper, not exceeding 9 percent per annum;
- 17) To appoint, under the discretion remove or suspend such General Manager, Managers, Secretaries, Assistants, Supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine the powers and duties, and fix their salaries and emoluments or remuneration and to require securities in such instances and to such amount as they may think fit. Also from time to time provide for the management and transaction of affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub clauses shall be without prejudice to the General powers conferred by this sub- clause.

- 18) To comply with the requirements of the local law which incur opinion which shall in the interest of the Company be necessary or expedient to Comply with;
- 19) From time to time and at any time to establish any local board for managing any of the affairs of the Company, in any specified locality in India or elsewhere and to appoint any persons to be members of such local boards, and to fix their remuneration;
- 20) Subject to Section 292 of the Act from time to time and at any time, to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorize the members for the time being of any such local board or any of them to fill up any vacancies there in and to act not withstanding vacancies and any such appointment or delegation may be made on such terms and subject the such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation;
- 21) At any time and from time to time by power of Attorney under the seal of the Company to appoint any person or persons to be attorney or attorneys of the Company for such purposes and with such powers authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents an excluding the power to make calls and excluding also, except in that limits authorized by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment (if the Board thinks fit) be made in favour of the members or any of the members of any local Board, established as aforesaid or in favour of any Company or the share holders , directors, nominees or managers of any Company, firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and contain power enabling any such delegates or attorneys as aforesaid to sub delegate all or any of the powers, authorities , and discretions for the item being vested in them;
- 22) subject to Sections 292 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into such negotiations and contracts and resigned and vary all such contractors, and execute and do all such Acts, deeds and things in the name and on behalf of the company as they may consider expedient;
- 23) from time to time to make, vary, or repeal by laws for the regulation of the business of the Company its officers and servants.

THE SECRETARY

Secretary:

- 110) The directors may from time to time appoint under the discretion remove the secretary, provided that the paid up share capital of the Company is twenty-five lakhs or more, it shall have a whole time secretary.

SEAL

- 111) The Directors shall provide a common seal of the Company and shall have power from time to time to destroy and substitute a new seal in lieu thereof. The directors shall provide for the safe custody of the seal. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of at least two directors of the Company and these two directors shall sign every instrument to which seal of the Company is so affixed in their presence.

Deeds how executed:

- 112) Every deed or other instrument, to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney be signed by two directors provided that, in respect of the Share Certificate, the seal shall be affixed in accordance with Article 16 (a).
- 113) The Company in General Meeting may declare dividend, but no dividend shall exceed the amount recommended by the Board.
- 114) The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
115. 1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board be applicable for any purpose to which the profits of the Company may be properly applied, including the provisions for meeting, contingencies or for equalizing dividends; and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investment (other than shares of the Company) as the Board may, from time to time thinks fit.
- 2) The Board may also carry forward profits which it may think prudent not to divide without setting aside as a reserve.
116. 1) Subject to the rights of persons, if any entitled to shares which special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid in the shares in respect whereof the dividend is paid but if and long as nothing is paid upon any of the shares in the Company dividends may be declared and paid according to the amounts of the shares.
- 2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of these regulations on the share.
- 3) All dividends shall be approved and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect

of which the dividend has from a particular date such share shall rank for dividend accordingly.

117) The Board may deduct on any dividend payable on an member all such sums of money if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

118. 1) Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus, wholly or partly by the distribution of specific assets and the Board shall give effect to the resolution of the meeting.

2) Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in that particular case may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine such cash payments shall be made to any members upon footing the value so fixed in order to adjust of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.

119) 1) Any dividend, interest or other moneys in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holders or joint holders may in writing direct.

2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

120) Any one or two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.

121) Notice of any dividend that may been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

122) "The Company will follow Section 205A of the Companies Act, 1956, relating to the unclaimed dividends".

CAPITILIZATION OF PROFITS

123. 1) The Company in the General Meeting may, upon the recommendation of the Board, resolve;

a) that if it desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and

b) that such sum be accordingly set free for distribution in the manner specified in clause(2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

- 2) The sum aforesaid shall not be paid in cash, but, shall be applied, subject to the provision contained in clause (3) either in or towards:
 - i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - ii) paying up in full, unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
 - iii) partly in the way specified in sub clause (i) and partly in that specified in sub clauses (ii)
3. A share premium account and a Capital Redemption Reserve Fund may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

124. 1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
 - a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issued of fully paid shares or debentures if any; and
 - b) generally do all acts and things required to give effect thereto
- 2) the Board shall have full power:
 - a) to make such provision, by the issue of fractional certificate or by payment in cash or otherwise as it thinks fit for the case of shares or debentures, becoming distributable in fractions, and also
 - b) to authorize any person to enter on behalf of all the members entitled there to, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto, of respective proportion of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on the existing shares.
- 3) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

Directors to keep true accounts:

125. 1) The Company shall keep at the office or at such other place in India as the Board thinks fit proper books of account in accordance with Section 209 of the Act, with respect to:
 - a) all sum of moneys received and expended by the Company and the matters in respect of which the receipts and expenditure takes place;
 - b) all sales and purchases of goods by the Company;
 - c) the assets and liabilities of the Company.

- 2) Whether the Board decided to keep all or any of the books at any place other than the office of the Company the Company shall within seven days of the decision file with the registrar a notice in writing giving the full address of that other place.
- 3) The Company shall preserve in good order the books of account relating to a period of not less than eight years, preceding the current year together with the vouchers relevant to any entry in such books of account.
- 4) Where the Company has a branch office whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transaction effected at the branch office are kept at the branch office and proper summarized returns, made up to date at intervals of not more than three months or sent by the branch office where the Company's books of account are kept as aforesaid.
- 5) The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be and explained its transaction the books of account and other books and papers shall be opened to inspection by any directors during business hours.

As to inspection of accounts by members:

- 126) The board shall from time to time determine whether and to what extent and at what times and places and under what condition or regulation the accounts and the books of the Company are any of them shall be open to the inspection of members, not being Directors and no members (not being a Director) shall have any right of inspection of any account or books or documents of the Company except as conferred by law or authorized by the Board.

Statement of accounts to be furnished to General Meeting:

- 127) The Director shall from time to time in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as are required by these Sections.

Copies shall be sent to each member:

- 128) A copy of such profit and Loss account and Balance Sheet (including the auditors report and every other document required by law to be annexed or attached to the Balance Sheet) shall at least twenty one days before the meeting at which the same or to be laid before the members be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which ex-facie or payable to the bearer thereof), to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meeting of the Company.

AUDIT

- 129) Auditor shall be appointed and their rights and duties regulated in accordance with Section 224 to 233 of the Act.

First Auditor or Auditors:

- 130) The first Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors, so appointed shall hold office until the conclusion of the first Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company not less than fourteen days before the date of the meeting provided further that if the Board fails to exercise its powers under this Article, the Company in General Meeting may appoint the first Auditors.

DOCUMENTS AND NOTICES

Service of documents or notices on members by company:

131. 1) A document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notice on him;
- 2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the documents or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

On Joint holders:

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

On personal representatives, etc.:

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

To whom documents or notices must be served or given:

- 134) documents or notice of every General Meeting shall be served or given in such manner herein before authorized or to
- (a) every member,
 - (b) every person entitled to a share in consequence of the death or insolvency of a member
 - (c) the auditor or auditors for the time being of the Company.

Members bound by documents or notice served on or given to previous holders:

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

Document or notice by Company and signature thereto:

- 136) Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorized by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

Service of documents or notices by:

- 137) All documents or notices to be served or given by members on or to the Company or any officer thereof shall be served or given by sending it to the Company or officer at the office by post under certificate of posting or by registered post or by leaving it at the office.

WINDING UP

Liquidator may divide assets in specie:

- 138) The Liquidator on any winding up (whether voluntary, under supervision or compulsory) may, with a sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company and may with the like sanction, vest any part of the assets of

the Company in trustees upon such trust, for the benefit of such contribution as the Liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

Directors and others right of indemnity:

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

SECRECY CLAUSE

Secrecy clause:

- 140). a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of Committee, Officer, Servant, Agent, Accountant or other person employed in 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 matters relating there to, 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 any law or by 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 Articles and to sign any documents in connection with the above as may be decided by the Board from time to time.
- b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or any matter or may be in the nature of trade secret, mystery of trade, secret process or any other matter which may relate conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

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

Sl. No.	Name, Address, Occupation, - Description and Signature of Subscriber	Signature, of the Subscriber	Name, Address, Occupation and description of witness
1.	LAXMINARAYANA MUNDRA No. 56, Manjeswar, 3rd Main, Basappa Layout, Bangalore - 560 019. <i>Industrialist.</i>	Sd/-	<p>Sd/-</p> <p>MAHENDRA KUMAR B.Com, DBA, F.C.A., C/o. M.K. Bhansali & Co., Chartered Accounts 201, II Floor T. V. Complex, B.V.K. Iyengar Road, Bangalore - 560 053</p> <p>Chartered Accountant</p>
2.	SATYANARAYAN MUNDRA No. 56, Manjeswar, 3rd Main, Basappa Layout, Bangalore - 560 019. <i>Industrialist.</i>	Sd/-	
3.	SUNIL L. MUNDRA No. 56, Manjeswar, 3rd Main, Basappa Layout, Bangalore - 560 019. <i>Businessman</i>	Sd/-	
4.	INDRA MUNDRA No. 56, Manjeswar, 3rd Main, Basappa Layout, Bangalore - 560 019. <i>Business</i>	Sd/-	
5.	SUSHIL KUMAR MUNDRA No. 56, Manjeswar, 3rd Main, Basappa Layout, Bangalore - 560 019. <i>Industrialist.</i>	Sd/-	
6.	SHARADA MUNDRA No. 56, Manjeswar, 3rd Main, Basappa Layout, Bangalore - 560 019. <i>Industrialist.</i>	Sd/-	

Dated this 8th day of September, 1993 at Bangalore.

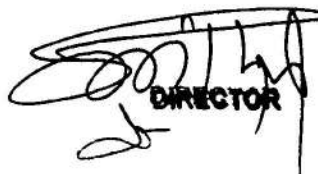
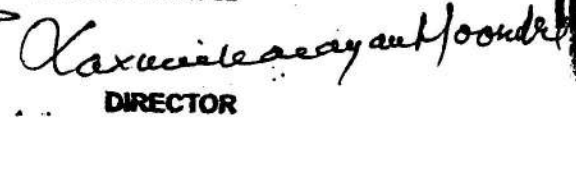
We, the several persons, whose names and addresses are subscribed hereunder, are desirous of being formed into a Company in Pursuances of this Memorandum of Association and we respectively, agree to take the number of shares in the Capital of the Company set opposite to our respective names:

Sl. No.	Name, Address, Occupation, Description and Signature of Subscriber	Signature, of the Subscriber	Name, Address, Occupation and description of witness
7.	M. CHANDRASHEKAR No. 29, MEI Colony, Laggere, Bangalore - 560 058 <i>Industrialist</i>	Sd/-	
8.	CHANDRA R. LADDHA No. 31, P.T. Road, Southend Circle Bangalore - 560 004 <i>Industrialist</i>	Sd/-	
9.	P. S. BHAT No. 1000, ARPE Layout, Service Road, Vijayanagar East, Bangalore - 560 040 <i>Service</i>	Sd/-	
10.	B. SAMPATHLAL No. 99/3, Bull Temple Road, Bangalore - 560 019 <i>Business</i>	Sd/-	
11.	B. VASANT KUMAR RANKA No. 19A, III stage, III Block, W. O. C. Road, Bangalore - 560 079 <i>Industrialist</i>	Sd/-	
12.	MANI C. KAPPAN S/o, Cherian Kappan Kappil House, Palai, Kerala - 686 575 <i>Business</i>	Sd/-	

Sd/-
MAHENDRA KUMAR B.Com, DBA, F.C.A.
C/o. M.K. Bhansali & Co.,
Chartered Accountants
201, II Floor T. V. Complex,
B.V.K. Iyengar Road,
Bangalore - 560 053
Chartered Accountant

Dated this 8th day of September, 1993 at Bangalore.

For NATURAL CAPSULES LIMITED

 
DIRECTOR DIRECTOR