

UNDER THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

(Incorporated under the Companies Act, 1956)

**ARTICLES OF ASSOCIATION**

OF

## **DECCAN CEMENTS LIMITED**

1. No regulation contained in Table “F”, in the First Schedule to the Companies Act, 2013, 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 powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Act, be such as are contained in these Articles.

## INTERPRETATION

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

**“The Company” or “This Company”** means **DECCAN CEMENT LIMITED**.

**“The Act”** means “The Companies Act, 2013” or any statutory modification or re-enactment thereof for the time being in force.

**“Article”** means these Article of Association of the Company for the time being of the Company or as altered from time to time by special resolution.

**“Alter”** and **“Alteration”** shall include the making of additions, deletions and substitutions.

**“Beneficial Owner”** means a person whose name is recorded as such with a Depository.

**“Board of Directors”** or **“Board”** in relation to a Company means the collective body of the Directors for the time being of the Company.

**“Company Secretary”** or **“Secretary”** means a Company Secretary as defined in the clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by a Company to perform the functions of a Company Secretary under this Act.

**“Depository”** means a Company formed and registered under the Companies Act, 1956 or 2013 and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act, 1992.

**“Security”** means such security as may be specified by the SEBI.

**“Director”** means a Director appointed to the Board of a Company.

**“Dividend”** included any interim dividend

**“Employee Stock Option”** means the option given to the directors, key managerial personnel, officers or employees of a company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the Shares of the Company at a future date at a pre-determined price;

**“Financial Statement”** means financial statement as defined under Section 2(40) of the Companies Act, 2013.

**“In writing” and “written”** include printing, lithography and other modes of representing or reproducing words in a visible form.

**“Independent Director”** means an independent director referred to in sub-section (6) of section 149 and schedule IV of the Act.

**“Key Managerial Personnel”**, in relation to a Company means:

- (i) The Chief Executive Officer or the Managing Director or the Manager;
- (ii) The Company Secretary
- (iii) The Whole-time Director
- (iv) The Chief Financial Officer; and
- (v) Such other officer as may be prescribed

**“Listed Company”** means a Company which has any of its Securities listed on any recognized stock exchange.

**“Member” or “Shareholder”** means a member as defined under Section 2(55) the Act.

**“Ordinary and Special Resolutions”** means an ordinary resolution, or as the case may be, special resolution referred to in Section 114 of the Act.

**“Office”** means the Registered Office for the time being of the Company.

**“Paid-up”** includes credited as paid-up.

**“Persons”** include Corporations as well as individuals.

**“Public Company”** means a Company which:

- a) is not a Private Company
- b) has a minimum paid-up share capital of five lakh rupees or such higher paid-up capital, as may be prescribed;

**“Postal Ballot”** means voting by post or through any electronic mode.

**“Promoter”** means a person as defined under section 2(69) of the Companies Act, 2013.

**“Record”** includes the record maintained in the form of books or stores in a computer or in such other forms as may be determined by the regulations issued by the Securities and Exchange Board of India in relation to the Depositories Act.

**“Registered Owner”** means a depository whose name is entered as such in the records of the Company.

**“The Registrar”** means the Registrar as defined under Section 2(75) of the Companies Act, 2013.

**“Seal”** means the Common seal for the time being of the Company.

**“Share”** means Share Capital of the Company and includes stock and any other instrument with or without voting rights

**“Year”** means the calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2 (41) of the Act.

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

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

### **CAPITAL, INCREASE AND REDUCTION THEREOF**

3. The Authorised Share Capital of the Company is as prescribed in the Capital Clause of the Memorandum of Association of the Company.
4. The Company in General Meeting may, from time to time, increase the authorised Capital by the creation of new shares, such increases to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with and only in the manner prescribed by the provisions of Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.
5. Subject to the provisions of the Act, and other applicable provisions of law, the Company shall at liberty to issue shares, either equity or any other kind with no voting rights and the resolution authorizing such issue shall prescribe the terms and conditions of the issue.
6. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
7. Subject to the provisions of Section 55 of the Act and the Rules made thereunder, the Company in General Meeting may, from time to time, by Special resolution, to issue preference shares, which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
8. The Company shall have power, subject to Section 66 of the Act, the Company may by Special Resolution, reduce its Capital and any Capital Redemption Reserve Account or Share

Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power; the Company would have, if it were omitted.

9. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, and other applicable provisions of law and subject to such other approvals, permissions and sanctions as may be necessary to purchase any of its own fully paid up shares whether or not they are redeemable, on such terms and conditions and upto such limits as may be prescribed by law from time to time and may make payment out of its capital in respect of such purchases, provided that nothing herein contained shall be deemed to affect the provisions of the Act in so far as they are applicable.
10. Subject to the applicable provisions of the Act, the Company in General Meeting may from time to time, sub-divide, reclassify or consolidate its shares or any of them and the resolution whereby any share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards to dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid the Company in General Meeting may cancel shares, which have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
11. The Company in General Meeting may convert any fully paid-up shares into stock and may at any time reconvert any stock into fully paid-up shares of any denomination. The provisions of the Act shall apply when shares are converted into Stock as aforesaid.

### **SHARES AND CERTIFICATES**

12. The Company shall keep or cause to be kept a Register and Index of members in accordance with Sections 88 and other applicable provisions of the Act.
13. The Shares in the Capital shall be numbered progressively according to their several classes and denominations and except in the manner herein before mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished with or as may be otherwise, decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.
14. The Board shall observe the restrictions as to allotment of share to the public contained in Sections 39 of the Act, and shall cause to be made the returns as to allotment provided for in Section 39 of the Act.
15. (a) Where it is proposed to increase the subscribed Capital of the Company by allotment of further shares then such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company in proportion as nearly as circumstances admit, to the Capital paid-up on those shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 days and not more than 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is

given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

(b) Notwithstanding anything contained in the preceding clause, Company may by special resolution issue further shares to any person or persons and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

(c) Notwithstanding anything contained in clause(a)above, but subject however to Section 42 and / or 62 of the Act, the Company may increase its subscribed capital on exercise of an option attached to debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for Shares in the Company.

(d) The Company may at any time grant an option to the employees to subscribe to the shares of the Company under the Scheme of Employee Stock Option Scheme (ESOS) or any other similar scheme in order to reward and retain Key Managerial Personnel and other Senior Managerial Personnel of the Company including group and subsidiary company, in compliance with the provisions of the Act, SEBI, RBI, FEMA, and any other rules and regulations as may be applicable from time to time

16. Subject to the provisions of these Article of the Company, Section 42 and /or 62 of the Act and the rules made thereunder and these Articles for the time being, the shares in the capital of the Company shall be under the control of the Board, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and at such time as the Board may thinks fit and with full power to allot shares of any class of the Company, at a premium or at par provided that option or right to call of shares shall not be given to any person or persons for such consideration as the Board think fit expect with the sanction of the Company in General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time under the Act.
17. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles the Company in general meeting may subject to the provisions of Section 42 and / or 62 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 persons (whether member or not) in such proportion and on such terms and conditions and , subject to compliance with the applicable provisions of the Act, either at a premium or at par, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either, subject to the compliance with the applicable provisions of the Act, at a premium, such option being exercisable at such times and for such consideration as may be directed by such General Meeting of the Company. In General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.
18. Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is in the Register of Members shall, for the purposes of these Articles, be a Member.

19. The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the holder of such share become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.
20. 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 these Articles, require or fix for the payment thereof.
21. (a) Every Member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon, Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letters of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the two Directors or attorneys and the Secretary or other person shall sign the share certificate. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.
- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as 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. The Company shall comply with the provisions of Section 53 of the Act.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of a rubber stamp, provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose
22. (a) No certificate of any share or shares shall be issued either in exchange for those which are sub- divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been fully utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.

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

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

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is a “Duplicate issued in lieu of share certificate No.....” The word “Duplicate” shall be stamped or punched in bold letters across the face of the share certificate.

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

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

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

(h) All books referred to in clause (g) of this Article shall be preserved in good order permanently or for such period as may be prescribed by the Act or the Rules made thereunder.

23. If any share stands in the names of two or more persons, the person first named in the Register of Members shall as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings and the transfer of the 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 these Articles.

24. 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 or 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.

25. Subject to the applicable provisions 68 to 70 of the Act, Rules made thereunder, approvals, permissions, consents and sanctions from the concerned authorities and departments, including SEBI and the RBI, if any, the Company may by passing Special Resolution at the General Meeting, purchase its own shares or other specified securities (hereinafter referred as 'buy-back') from its existing shareholders on a proportionate basis and/or from the open market and /or from the lots smaller than market lots of the securities (odd lots) and /or the securities issued to the employees of the company if any, pursuant to scheme of stock options or sweat equity, from out of its free reserves or out of the securities premium account of the company or out of the proceeds of any issue made by the company specifically for the purpose, on such terms and conditions and in such manner as may be prescribed by law from time to time; provided aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made thereunder from time to time.
26. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company save as provided under Section 67 of the Act.

#### **UNDERWRITING AND BROKERAGE**

27. Subject to provisions of Section 40 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and half per cent of the price at which the debentures are issued. Such commission may be satisfied in any such manner, as the Board thinks fit and proper.
28. Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.

#### **CALLS**

29. 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 and a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the time and places appointed by the Board. A call may be made payable by installments.

30. At least fifteen day's notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid
31. A call may be revoked or postponed at the discretion of the Board.
32. 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.
33. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
34. 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.
35. 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 18 per cent per annum, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.
36. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and of which due notice has been given and payable on the date of which by the terms of issue the same became payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
37. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose share the money is sought to be recovered appears entered on the Register of Members as the holder at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that the quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

38. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
39. (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 shares beyond the sums actually called up, and upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the call then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest at such rate, as the Member paying the sum in advance and the Board agree upon, subject to the provisions of the Act.. The Board may agree to repay at any time any amounts so advanced or may at any time repay the same upon giving to the Member three months' notice in writing provided that money paid, in advance calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.
- b) No member paying any such sum in advance shall be entitled to voting rights in respect of the money so paid by him until the same would, but for such payment, become presently payable.

#### **LIEN**

40. The Company shall have a first and paramount lien upon every share not being fully paid-up registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for payment shall actually have arrived or not and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. Such lien extends to all dividends from time to time declared in respect of such share. Unless otherwise agreed. The registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, in such share.
41. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of its 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.
42. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares immediately prior to the same.

## **FORFEITURE OF SHARES**

43. If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
44. The Notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon as the Board shall determine from the date on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The Notice shall also state that in the event of the non-payment at or before the time and at the place appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
45. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to the effect Subject to the applicable provision of the Act, such forfeiture shall include or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture. However, there shall be no forfeiture of unclaimed dividend and the same shall be regulated in accordance with the applicable provisions of the Act.
46. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
47. Any share so forfeited shall be deemed to be the property of the Company. And may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
48. Any Member whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
49. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the shares, except only such of those rights as by these Articles are expressly saved.

50. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
51. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser, shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
52. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of the relative shares shall stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or person entitled thereto.
53. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annual the forfeiture thereof upon such conditions as it thinks fit.

#### **TRANSFER AND TRANSMISSION OF SHARES**

54. The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.
55. No transfer shall be registered, unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer shall be duly stamped, under the relevant provisions Act, including any statutory modifications thereof for the time being shall be duly complied with and shall be signed by or on behalf of the transferor and transferee in respect of all transfers of shares and registration thereof.
56. Every such instrument of transfer shall be executed both by the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof, The Registration of transfer shall not be refused on the ground that a transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.
57. The Board shall have power on giving not less than seven days previous notice by advertisement in a newspaper circulating in the district in which the Registered Office is situated to close the Register of Member or Register or Debenture-holders at such time or times and for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year, so as to it may seem expedient.

58. Subject to the provisions of Section 58 and 59 of the Act, these Articles, applicable provisions of the Securities Contract (Regulation) Act, 1956 and any other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a member in, or Debentures of the Company, the Board shall within one month from the date on which the instrument of transfer, or the intimation of such transmission as the case may be, was delivered to the Company, send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.
59. An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor or relates to partly paid shares, the Company shall give notice of the application to the transferee in accordance with the applicable provisions of the Act.
60. In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivors shall be the only persons recognised by the Company as having any title to or interest in share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
61. (a) The Executors or administrators or holders of a succession certificate or the legal representatives of a deceased Member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognize such executors or administrators or holders of Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, it may dispense with production of Probate or letters of Administration or Succession Certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any persons who claims to be absolutely entitled to the Shares standing in the name of deceased Member, as a Member.
- b) No fee shall be charged for registration of each of the following documents namely Appointment of Trustee in Insolvency, order of the Court, Probate, Proof of Marriage, Power of Attorney, Letters of Administration, Lunacy order, Affidavit, Statutory Declaration or any other document which in the opinion of the Directors requires registration.
62. No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.

63. Subject to the provisions of applicable Articles, any persons becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, upon producing such evidence that he sustains the character in respect of which he proposed to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holders, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so he shall not be freed from any liability in respect of the shares.
64. Subject to the provisions of the Act, a person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or moneys as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the shares.
65. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the shares, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
66. Before the registration of a transfer, the certificate of the share to be transferred to if no such certificate is in existence, a letter of allotment of such of share, must be delivered to the Company along with, save as provided in Section 56 of the Act, a properly stamped and executed instrument of transfer.
67. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title, or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
68. Notwithstanding anything contained in the Articles of Association, the Board shall not accept applications for sub-division, consolidation of Share Certificates into denominations of less than the market lot of trading except when such a sub-division or consolidation be required to be made to comply with a statutory order or an order of a competent court of law or a request from a member to convert his holding of odd lots of shares into transferable market lots, subject to verification by the Company.

## **NOMINATION**

69. Notwithstanding anything contained in this Article, every holder(s) of shares in or holder(s) of debentures in or holder(s) of fixed deposits of the Company, holding singly or jointly, may at any time, nominate a person in the prescribed manner to whom the shares and / or the interest of the member in the capital of the Company or debentures or fixed deposits of the Company shall vest in the event of his / her death. Such member may revoke or vary his / her nomination, at any time, by notifying the same to the Company to that effect. Such nomination shall be governed by the provisions of the Act or such other regulations governing the matter from time to time.
70. Where the nominee is a minor, the holder the shares or debentures or fixed deposits of the Company can make the nomination in the manner prescribed under the Act, to appoint any person to become entitled to the shares or debentures or fixed deposits concerned in the event of death of the holders of the shares/debentures/fixed deposits during the minority of the nominee.

## **DEMATERIALIZATION/ REMATERIALIZATION OF SHARES/SECURITIES**

71. (a) Company to recognize interest in Dematerialized Securities under Depositories Act:

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in Electronic form and the certificate in respect, thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

- (b) Dematerialization / Rematerialization.

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize existing securities, rematerialize its securities held in depositories and / or offer its fresh securities in the dematerialized form pursuant to the Depositories Act.

- (c) Option to receive security certificate or hold securities with Depository:

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificates or hold securities with a depository. Where a person opts to hold a security with a depository the Company shall intimate such depository the details of allotment of the security and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of that security.

- (d) Securities in fungible form:

All securities held by a Depository shall be dematerialized and in fungible form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(e) Rights of Depositories and Beneficial Owners:

Notwithstanding anything contained in the Act or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial owner save as otherwise provided above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it. Every person holding securities of the Company and whose name is entered as a Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

(f) Register and Index of Beneficial Owners:

The Company shall cause to be kept a Register and Index of Members with details of shares and debentures held in material and dematerialized forms in any media as may be permitted by law including any form of electronic media. The Register and Index of Beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be a Register and Index of Members for the purpose of this Act. The Company shall have power to keep in any state or country outside India a Branch Register of Members resident in the state or country.

(g) Service of documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a Depository, the record of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(h) Distinctive number of securities held in a Depository:

The share in capital shall be numbers progressively according to their serial denomination provided however that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized or may be dematerialized in future, or issue in future in dematerialized form. Except in the manner herein before mentioned, no share shall be sub-divided. Every forfeited or surrendered shall held in material form shall continue to bear the number by which the same was originally distinguished.

**COPIES OF MEMORANDUM AND ARTICLES TO BE GIVEN TO MEMBERS**

72. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Member at his request within seven days on payment of such fees as may be prescribed for each copy or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.

## **BORROWING POWERS**

73. Subject to the provisions of Section 179, 180 and other applicable provisions of the Act and Rules made there-under, and of these Articles, 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 to calls or otherwise, and generally raise or borrow or secure the payment of any sums of money for the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up Capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting.
74. The Payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) 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 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.
75. Any debentures may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of a Special Resolution of the Company in General Meeting.
76. The Board shall cause a proper register to be kept in accordance with the provisions of the Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the Act in that behalf to be duly complied with, so far as they are to be complied with by the Board.
77. The Company shall, if at any time it issues debentures, keep a Register, and Index of Debenture holders in accordance with Section 88 of the Act.
78. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

## **CAPITALISATION**

79. (a) The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend, or representing premium received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the Shareholders as would be entitled to receive the same, if distributed by way of

dividend, and in the same proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or Debentures or Debenture stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.

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

80. For the purpose of giving effect to any resolution under the preceding Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

#### **BUYBACK OF SHARES**

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

#### **MEETINGS OF MEMBERS**

82. Every Annual General Meeting shall be called for a time during business hours i.e. between 9 a.m. to 6 p.m., on a day that is not a public holiday, and shall be held at the office or at some other place within the City, town or village in which the Registered Office is situated as the Board may determine and the notice calling the meeting shall specify it as the Annual General Meeting. Every Member shall be entitled to attend either in person or by proxy and the auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting there shall be laid on the table the Directors' Report and Audited Financial Statements, Auditors' Report (if not already incorporated in the Audited Financial Statements), the Proxy Register with proxies and the Register of Directors' shareholding which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall prepare the annual list of Members, summary of Share Capital, the Financial Statements and forward the same to the Registrar, in accordance with the provisions of the Act.

83. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of Paid-up Capital as at that date carried the right of voting in regard to the matter in respect of which the requisition has been made. Further the Board of Directors may transact such items of business as required by the Act and other business items as the Central Government may, by notification, declare to be transacted only by means of postal ballot in compliance with the provisions of Section 110 of the Act and Rules made thereunder.
84. Any valid requisition so made by Members must state the object or objects of the meetings proposed to be called, and must be signed by the requisitionists and be deposited at the office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
85. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if it does not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than 45 days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
86. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
87. Subject to the provisions of Section 101 of the Act, and the Rules made thereunder not less than clear 'Twenty-one days' notice, either in writing or through electronic mode of every General Meeting annual or extraordinary, and by whomsoever called, specifying the day, place and hour of meeting and general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided to such persons who are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat, and in case of any other meeting with the consent of Members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting, may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than-
- (i) the Consideration of the Financial Statements and reports of the Board of Directors and Auditors,
  - (ii) the declaration of the dividend,
  - (iii) the appointment of Directors in place of those retiring,
  - (iv) the appointment of and fixing of the remuneration of the Auditors,

is to be transacted, and in the case of any other meeting in any event there shall be annexed to the notice of the meeting, a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of

every Director, the Manager, if any, and the Key Managerial Personnel or their relatives. Where any such item of business relates to or affects any other Company, the extent of shareholding interest in the other Company of every Director, the Manager, if any and the Key Managerial Personnel, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than two per cent of the paid-up share capital of that other company. Where any item of business consists of according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

88. The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
89. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
90. Quorum of the General Meetings shall be determined in accordance with provisions of Section 103 of the Act. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.
91. Subject to provisions of Section 103 of the Act if within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall stand cancelled, but in any other case the Meeting shall stand adjourned to the same day in the next week or if that day is public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and such other time and place within the City in which the office is situate as the Board may determine and if at such adjourned meeting a quorum is not present within half-an-hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.
92. The Chairman, if any, of the Board of Directors shall be entitled to take the Chair at every General Meeting whether, Annual or Extraordinary. If there be no such Chairman of the Board of Directors or if at any meeting he is not present within ten minutes of the time appointed for holding such meeting or shall decline to take the Chair, then the Managing Director shall be entitled to take the Chair and failing all of them the Members present shall elect another Director as a Chairman, and if all Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their number to be Chairman.
93. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.
94. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place within the City in which the office is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

95. At any General Meeting, a resolution put to the vote of the meeting shall, unless voting is carried out electronically or a poll is demanded under Section 109 of the Act, be decided on a show of hands in accordance with Section 107 of the Act and the Rules made thereunder. Unless a poll is demanded, a declaration made by the Chairman that a resolution has, on a show of hands been carried or carried unanimously, or by a particular majority or lost and any entry to that effect in the Minutes Book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
96. In the case of an equality of votes the Chairman shall both either on a show of hands or at a poll, if any, have a casting vote in addition to the vote or votes, if any which he may be entitled to as a member.
97. If a poll is demanded as aforesaid the same shall be subject to the provisions of Article be taken at such time (not later than forty-eight hours from the time when the demand was made) and place where the general meeting is held or at such other place as may be decided by the chairman and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
98. Where a poll is to be taken, the Chairman of the meeting shall appoint scrutiner(s) to scrutinise the votes given on the poll and to report thereon to him.
99. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith.
100. The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

### **VOTE OF MEMBERS**

101. Pursuant to Section 108 of the Act, a member may exercise his rights to vote by the electronic means. No Member shall be entitled to vote either personally or by proxy at any General Meeting or a meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in this name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right of lien.
102. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company, every Member not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting and on a show of hands every Member present in person shall have one vote and upon a poll every Member present in person or by proxy shall, subject to Section 47 of the Act, have one vote

for every share held by him either alone or jointly with any other person or persons. Provided, however, if any preference shareholder be present at any meeting of the Company then save as provided Section 47 of the Act, he shall only have a right to vote in respect of such preference share on resolution placed before the meeting which directly affect the rights attached to his preference shares.

103. On a poll taken at a meeting of the Company, a Member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes, or cast in the same way all the votes he uses.
104. A member of unsound mind or in respect of whom an order has been made by any Court having Jurisdiction may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may on poll, vote by proxy; if any Member be a minor, the vote in respect of his share or shares shall be by his guardian, or any of his guardians if more than one, to be elected in case of dispute by the Chairman of the meeting
105. If there be joint registered holders of any shares, anyone of such persons may vote at any meeting or may appoint another person (Whether a member or not) as his proxy in respect of such shares as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.
106. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section -113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.
107. Any person entitled to a transfer of any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eighty hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote he shall satisfy the Board of his right to a transfer in such shares and give such indemnity, if any, as the Board may require or the Board shall have previously admitted his right to vote at such meeting in respect thereof.
108. 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 body corporate under the common seal of the body corporate , or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

109. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting of the Company or every meeting to be held before the date specified in the instrument and every adjournment of any such meeting.
110. No member present only by proxy shall be entitled to vote on a show of hands, unless such member is a body corporate present by a proxy who is not himself a member, in which case such proxy shall have a vote on a show of hands as if he were a member.
111. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed, or a notarially certified copy of that power 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 proposed to vote and in default the instrument of proxy shall not be treated as valid.
112. Every instrument of proxy whether for a specified meeting or otherwise shall, be in the form as prescribed in the rules made under Section 105 of the Act.
113. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or 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, revocation or transfer shall have been received at the office before the meeting.
114. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
115. 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.
116. (a) The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with Section 118 of the Act.  
  
(b) Any such minutes shall be evidence of the proceedings recorded therein.  
  
(c) The book containing the minutes of proceedings of General Meetings shall be kept at the registered office and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors may determine, to the inspection of any Member without charge.

## **DIRECTORS**

117. (i) Until otherwise determined by General Meeting, the number of Directors shall neither be less than THREE (3) nor more than FIFTEEN (15) inclusive of the ex-officio Directors, Nominee Directors, Technical Directors, Special Directors and Debenture Directors, Alternate and Additional Directors, if any:

(ii) The First Directors of the Company are:

1. Shri Kanumuru Venkata Krishnam Raju
2. Shri Manthena Bangara Raju
3. Shri Codur Sekar

118. Subject to the provisions of the Act, the Directors, shall have power at any time and from time to time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed as above. Any Director appointed to fill a casual vacancy shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had been vacated. Any person appointed as an Additional Director shall hold office only upto the conclusion of the next Annual General Meeting of the Company, but he shall be eligible for re-appointment at such meeting.

119. Without prejudice to the powers of Directors under applicable provisions of the Articles, the Company in General Meeting may appoint any person to be a Director either to fill a casual vacancy or as an addition to the Board. A person appointed to fill a casual vacancy shall hold office only upto the date on which the Director in whose place he is appointed, would have held office if he had not vacated.

120. The Directors of the Company may appoint an alternate Director to act for a Director (hereinafter called the Original Director) during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An Alternate Director shall vacate office, if any, when the Original Director returns to the State. If the term of office of the Original Director is determined before he returns to such State, any provision in the Act or in these Articles for the automatic reappointment of retiring Director in default or of another appointment shall apply to the Original Director and not to the Alternate Director.

121. (i) Subject to the provisions of Section 152 of the Act, the Company may, as a result of a special arrangement arrived at with any Person, Body Corporate, Financial Institution or Bank; allow such Person's, Body Corporate's, Institution's or Bank's nominating (including power to replace or remove) representatives on the Board of the Company. This discretion shall vest in the Board of Directors.

(ii) The Directors appointed under the provisions of sub-clause (i) above shall be deemed ex-officio Directors within the meaning of these Articles. The number of ex-officio Directors shall not exceed one-third of the total strength of the Board at anytime.

(iii) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s.

iv) In connection with any collaboration arrangement with any Company or Corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the Directors may authorize such Company, Corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint, from time to time,

any one or more person (s) as Director(s) of the Company (hereinafter referred to as “Special Director(s)”) and need not possess any qualification shares to qualify him for the office of such Director, so however that such Special Director shall hold office so long as such collaboration arrangement remains in force, unless otherwise agreed upon between the Company and such collaborator under the Collaboration arrangements or at any time thereafter. The Collaborator may at any time and from time to time remove any such Special Director (s) appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed at anytime, appoint any other person (a) as Special Director(s) in his place and such appointment or removal shall be made in writing signed by such Company or Corporation or any partner or such person and shall be delivered to the Company at its Registered Office. It is clarified that every Collaborator entitled to appoint a Director under this Article may appoint one person as a Director and so that if more than one Collaborator is so entitled there may be at any time as many Special Directors as the Collaborators are eligible to make the appointment. Every Collaborator entitled to appoint Directors under this Article may appoint one or more persons(s) as Director(s).

122. No share qualification shall be necessary for any Director.
123. The remuneration of every Director inclusive of the Alternative Director, if any; and the Debenture Director if any shall be such amount as may be fixed by the Directors not exceeding such sum as may be prescribed by the Act or the Central Government from time to time, for every meeting of the Board or of a Committee of Directors attended by him. Notwithstanding anything contained in this Article, the Directors may at any time and from time to time at their absolute discretion resolve, without being bound to do so, for reasons of commercial expediency, to waive or forego a part or the whole of the remuneration payable to one or more of them under the aforesaid Article.
124.
  - a) Subject to the provisions of Sections 197, 198 and Schedule ‘V’ of the said Act a Managing Director or Director who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.
  - b) Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles hereinbelow, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company's business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.

- c) 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 by the way of commission, if the Company, by a special resolution, authorises such payment.
- d) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.
- e) If any Director being willing, shall be called upon to leave and reside away from his usual place of residence on the Company's business, or to perform extra services (which expression shall include the work done by a Director in signing certificates of shares or Debentures issued by the Company, or work done by him as a member of any Committee appointed by the Directors in terms of these Articles), the Directors may by arrangement with such a Director for special remuneration for the extra services performed either by way of salary or commission, or by way of participation in profits or by a fixed sum of money and such remuneration may be either in addition to or in lieu of his remuneration provided in the preceding articles.
- f) A Director shall also be paid in addition to the fee for attending meetings of the Board and Committee, a fair compensation to cover his travelling, lodging, boarding and other expenses incurred by him in the process of attending the meeting of the Board or Committee.
- g) The Directors shall be entitled to be repaid any travelling and other expenses incurred in connection with the business of the Company.
125. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by the Articles of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number or of summoning a General Meeting but for no other purpose.
126. The office of director shall be vacated, pursuant to the provisions of Section 164 and Section 167 of the Act. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013
127. Subject to the provisions of Sections 184, 188 and 192 of the Act and the Rules made thereunder, neither a Director shall be disqualified from contracting with the Company whether as vendor, purchaser or otherwise for the goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or agreement entered into by or on behalf of the Company with relative of such director or or firm in which such Director or relative is a partner, or with any other partner in such firm or a Private Company, of which such Director is a member or Director, be void nor shall any director so contracting or being such member so interested be liable to account to the Company for the profit realized by any such contact or arrangement by reason of such director holding office or of the fiduciary.

128. A Director who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement entered into, or a proposed contract or an arrangement to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest in a meeting of the Board in the manner provided in Section 184 of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or any such other Company are two or more of them together hold not more than two per cent of the paid-up share capital in such other Company or the Company, as the case may be, a General Notice given to the Board by the Director, to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
129. No Director shall as a Director, be present in the meeting during the discussion on any contract or arrangement entered into or to be entered into by or on behalf of the Company: if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, provided, however, that nothing herein contained shall apply to;
- (a) Any contract of indemnity against any loss which the Directors, or any one or more of them suffer by reason of becoming or being sureties or a surety for the Company:
  - (b) Any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interests of the Director consists solely.
    - (i) In his being:
      - a) a Director of such Company, and
      - b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company or
    - (ii) In his being a member holding not more than two percent of its paid-up share capital.
130. The Company shall keep a register in accordance with Section 189 of the said Act and shall within the time specified in under the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 188 or Section 184 of the Act as the case may be. The register aforesaid shall also specify, in relation to a Director, the names of bodies corporate and firms of which notice has been given by him

The register shall be kept at the office and shall be open to inspection of members in accordance with Section 189 of the Act.

131. A Director may be or become a Director of any company promoted by the Company, or in which it may interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received a Director or shareholder of such company except in so far as section 197 or Section 198 of the Act may be applicable.
132. Pursuant to the provisions of section 152 and other applicable provisions of the Act and rules made there-under not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as expressly provided in the Act and these Articles, be appointed by the Company in General Meeting. The remaining Directors shall be in accordance with these Articles.
133. At every Annual General Meeting of the Company one-third such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one- third shall retire from office.
134. Subject to the provisions of Section 161 and 169 of the Act, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
135. A retiring Director shall be eligible for re-election.
136. Subject to the provisions of Sections of 152, 161, 169, and 188 and other applicable provisions, if any of the Act, the Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.
137. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place.
138. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:
  - i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
  - ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so reappointed;
  - iii) he is not qualified or is disqualified for appointment;

- iv) a resolution, whether special or ordinary is required for the appointment or reappointment by virtue of any provisions of the Act; or
  - v) the provisions of Section 162 of the Act is applicable to the case.
139. Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.
140. A person who is not a Retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has not less than 14 days before the meeting. left at the office of the Company a Notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be along with a deposit of Rs.1,00,000/- which shall be refunded to such person or as the case may be to such Member, if the person succeeds in getting elected as Director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.
141. Subject to the provisions of Sections 149 and 151 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors. The Company may subject to the provisions of Section 169 of the Act remove any Director, before the expiration of his period of office and appoint another duly qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
142. i) The Company shall keep at its registered office a Register containing the particulars of its Directors, Key Managerial Persons, their Shareholding and other persons as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
- ii) The Company shall also keep at its registered office a Register in respect of shares and/or Debentures of the Company held by its Directors, or Manager, if any, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

### **MANAGING / WHOLE TIME DIRECTOR**

143. a) Subject to the provisions of the Act, the Board shall have power to appoint from time to time one or more of their body to the office of the Managing Director or Whole Time Director for such period and on such terms as they think fit, such period not exceeding five years at a time.. The Board may by resolution vest in such Managing Director such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions, as it may determine. The remuneration of the Managing Director / Whole

Time Director may be by way of monthly payment, participating in profits or by either or both of these modes or any other mode not expressly prohibited by the Act.

b) The Board shall have power to appoint an individual as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time.

144. Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder.

145. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or Whole Time Director, who:

a) is below the age of 21 years or has attained the age of 70 years.

Provided that the appointment of a person who has attained the age of 70 years may be made by passing a special resolution with stating the justification for such appointment in the explanatory statement to the notice of General Meeting.

b) is an un-discharged insolvent, or has at any time been adjudged an insolvent

c) has at any time suspended payment to his creditors, or makes, or has at any time made, a composition with them, or

d) is, or has at any time, been convicted by a Court and sentenced for a period of more than six months.

146. The Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation in accordance with Article 132 and 133, but he/she shall be subject to the same provisions as to resignation and removal as the other directors and if he/she ceases to hold the office of Director, he/she shall ipso facto and immediately cease to be the Managing Director.

### **PROCEEDINGS OF THE BOARD OF DIRECTORS**

147. The Directors may meet together as a Board for the dispatch of business from time to time as provided in Section 173 of the Act. The directors may adjourn and otherwise regulate their meetings as they think fit subject to the provisions of the Act. The Board of the directors may participate in a meeting of the Board either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed.

148. Not less than seven days notice of every meeting of the Board may be given in writing, to every director at his address registered with the company and such notice shall be sent by

hand delivery or by post or by electronic means. Subject to the provisions of Section 173(3) meeting may be called at shorter notice.

149. The Managing Director may at any time and the Secretary shall upon the request of any two Directors at anytime, convene a meeting of the Board.
150. Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total Strength (excluding Directors, if any whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher. Provided that where at any time the number of the interested Directors exceeds or is equal two-thirds of the total strength the number of the remaining directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two shall be the quorum during such time.
151. If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman not being later then seven days from the date originally fixed for the meeting.
152. The Board may nominate one of their members as its Chairman. The said Chairman shall have a casting vote in addition to his own vote. If at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed for holding the same the Directors present may choose one of their members to be Chairman of the meeting.
153. Questions arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second casting vote.
154. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles are for the time being vested in or exercisable by the Board generally.
155. Subject to the restrictions contained in Section 179 of the Act the Board may delegate any of its powers to Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part, and either as to persons, or purposes but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of its appointment but not otherwise shall have the like force and effect as if done by the Board.
156. The meetings and proceeding of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board including the voting rights of the Chairman and the keeping of minutes thereof, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.
157. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation unless the resolution has been circulated in draft together with the

necessary papers, if any, to all the Directors, or to all the members of the committee, at their respective addresses provided for such purpose and has been approved by a majority of such of the Directors or members of the Committee as are entitled to vote on the resolution.

158. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment or any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to have validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
159. (a) The Company shall cause minutes of all proceedings of every meeting of the Board to be kept in accordance with Section 118 of the Act and the rules made thereunder.
- (b) Any such minutes shall be evidence of the proceedings recorded therein.
160. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or any regulations not inconsistent therewith and duly made there under, including regulations made 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.

## **MANAGEMENT**

161. The Company shall not appoint or employ at the same time more than one of the categories of managerial personnel namely Managing Director and Manager.

### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

162. Subject to the provisions of the Act,
- i) a Chief Executive Officer or Manager, Company Secretary and Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Managing Director, or Manager, Company Secretary, Chief Financial Officer so appointed may be removed by means of resolution of the Board.

- ii) a Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

The Board may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company.

### **THE SEAL**

- 163. (a) The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being and, Seal shall never be used except by the Authority of the Board or a committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.  
  
(b) The Company shall also be at liberty to have an official seal for the use in any territory, district or place outside India.
- 164. Every deed or other instrument to which the Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and some person appointed by the Board for the purpose.

### **DIVIDENDS**

- 165. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of Capital paid-up on the shares held by them respectively.
- 166. The Company in Annual General Meeting may declare dividends to be paid to Members according to their respective rights but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
- 167. Subject to applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that:
  - (a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying dividend for any financial year, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years.
  - (b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the

Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act or against both.

168. The Board may from time to time pay to the Members such interim dividend as in their judgment the position of the Company justifies.
169. Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to participate in profits.
170. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.
171. The Board may retain the dividends payable upon shares in respect of which any person is, under the Article 63 hereinabove, entitled to become a Member or which any person under that Article is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same and until such transfer of shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, or the corresponding section of the Act shall apply.
172. Anyone of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other monies payable in respect of such share.
173. No Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise, howsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.
174. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
175. Unless otherwise directed, any dividend may be paid by cheque or warrant or by any electronic mode of transfer or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled to in case of Joint-holders to that one of them first named in the Register of Members in respect of the Joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost to the members or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

176. a) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called "Unpaid Dividend Account of ..... Limited". The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
- b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund know as the Investor Education and Protection Fund established under Section 205C of the Act 1956 or the corresponding section of Act, 2013 as and when notified shall apply.
177. Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.
178. Any General Meeting declaring a dividend may on the recommendations of the Board make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

## ACCOUNTS

179. a) The Board shall cause to be kept in accordance with Section 2(13), 128 and 129 of the Act, proper books of account with respect to:
- i) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
  - ii) All sales and purchases of goods by the company;
  - iii) The assets and liabilities of the Company.
- b) The books of account shall be kept at such place or places as the Board may determine in accordance with the provisions of Section 128 of the Act and shall be open to inspection by any Director during business hours.
- c) 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.
180. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any a

account or book or document of the Company except as conferred by law or authorized by the Board.

181. The Board shall from time to time, in accordance with Sections 2(2), 129, 133, 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting such Balance sheets, Statement of Profit and Loss, Cash Flow Statement, Notes to Accounts, and Reports as are required by these Sections.
182. A copy of every such Statement of Profit and Loss 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 clear days before the meeting at which the same are 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 are payable to the bearer thereof) to trustees for the holders of such debentures and to all other persons entitled to receive notices of General Meetings.

#### **AUDIT**

183. Auditors shall be appointed and their rights and duties regulated in accordance with Sections 138 139, 142, 147 of the Act and other applicable provisions of the Act and Rules made thereunder.
184. Subject to the provisions of the Act, every Financial Statements of the Company when audited and approved by a General Meeting shall be conclusive.

#### **DOCUMENTS AND NOTICES**

185.
  - a) A document or notice may be served or given by the Company on any Member either personally or by email or by sending it by post to him at his registered address or, if he has no registered address in India, to the address, if any, in India supplied by him to the Company for serving documents or notices on him.
  - b) 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 document or notice, provided that where the Member has intimated to the Company in advance that documents or notices should be sent to him under 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, where the document or notice is sent by post such service shall be deemed to have been effected, in the case of a notice of meeting at the expiration of forty-eight hours after letter containing the notice is posted and, in any other case, at time at which the letter would be delivered in the ordinary course of post.
186. A document or notice advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

187. A document or notice may be served on or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share.
188. A document or notice may be served on or given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address; if any, in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
189. Documents or notices of every General Meeting shall be served or given in some manner herein before authorised on 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.
190. Every person, who by operation of law, transfer, or other means whatsoever shall become entitled to any share, shall be bound by every document or notice in respect of such share which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derived his title to such share.
191. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board for such purpose, and the signature thereto may be written, printed or lithographed.
192. All documents or notices to be served or given by Members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office.

#### **WINDING UP**

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

- (b) The Liquidator on any winding up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trust for the benefits or the Contributories as the Liquidator with the like sanction, shall think fit.
- (c) The winding up procedures are to be followed in compliance with the provisions of Chapter XX of the Act and rules made thereunder.

### **INDEMNITY AND RESPONSIBILITY**

194. Every Officer for the time being of the Company shall be indemnified out of the assets of the Company against liability incurred by him in defending against the proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the Court/Tribunal.

### **SECRECY CLAUSE**

195. a) Every Director, Manager, Key Managerial Personnel, Auditor, Treasurer, Trustee, Member of a Committee, Officer, servant, agent accountant, or other person employed in the business of the Company shall, if so required by the Directors, before entering upon, his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company, including (without limitation) those with the customers and the state of the accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of the Act or these Articles.
- (b) No Member shall be entitled to visit or inspect any works of the Company without the permission of a Director or to require, discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or any other matter which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

Sr. No	Name, Addresses, Descriptions and Occupations of Subscribers	No. of Shares taken by each	Signature of Subscribers	Name, Address, Description, Occupation and Signature of Witnesses
1	<b>MANTHENA BANGARA RAJU</b> S/o Suryanarayana Raju 29, Teachers Colony, East Marredpally, Secunderabad, Industrialist	10 (Ten only)	Sd/ ( M B Raju)	M BHASKARA RAO s/O Sri M Sri Rama Murthy Chartered Accountant 1st Floor, Barman Building Gunfoundry, Hyderabad Sd/
2	<b>CODUR SEKER</b> S/o Adinarayana 29, Teachers Colony East Marredpally, Secunderabad, Chemical Engineer	10 (Ten only)	Sd/ (Codur Seker)	
3	<b>K S RAJU</b> S/o K V K Raju 72-6-7, East Marredpally Secunderabad - 500 026 Engineer	10 (Ten only)	Sd/ (K S Raju)	
4	<b>A V SATYANARAYANA RAJU</b> S/o Narayana Raju A 16 Vengala Rao Nagar Hyderabad Business	10 (Ten only)	Sd/ ( A V S Raju)	
5	<b>B VENU</b> S/o Laxmi Perumal 304/2RT, Vijaynagar Colony Hyderabad- 500 451 (A.P) Service	10 (Ten only)	Sd/ ( B Venu)	
6	<b>PATSAMATLA BHIMA RAJU</b> S/o Suryapa Raju 6-3-856/3, Ameerpet, Hyderabad	10 (Ten only)	Sd/ (P B Raju)	
7	<b>SHYAMSUNDER PULJAL</b> S/o Hanumantha Rao, 4/3/143, Market Road Sultan Bazar, Hyderabad- 500 001 Business	10 (Ten only)	Sd/ (Shyamsunder)	
Total Number of Shares taken		70 (Seventy only)		
Dated this 16th Day of July 1979 at Hyderabad				