

**UNDER THE COMPANIES ACT, 1956
(1 of 1956)
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
Gayatri BioOrganics Limited**

Table 'A' not to apply but company to be governed by these Articles

1. (a) No regulations contained in Table 'A' in the First Schedule to the Companies Act, 1956 or in the Schedule to any previous Companies Act, shall apply to this Company, but the regulations for the management of the company and for the observance of the Members thereof and their representatives, shall subject to any exercise of the statutory 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 Companies Act, 1956 be such as are contained in these Articles.
- (b) The marginal notes hereto shall not affect the construction hereof in the interpretation of these articles.

INTERPRETATION

Interpretation clause

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

"The Company" or "This Company."

- * (i) "The Company" or "this company" means "Gayatri BioOrganics Limited".

"The Act"

- ii) "The Act" means the Companies Act, 1956 or any statutory modifications or re-enactments thereof for the time being in force.

"Registered Office"

- iii) "The Office" means the Registered office of the company for the time being.

"Dividend"

- iv) "Dividend" includes Bonus.

"Articles of Association"

- v) "These presents" means the Articles of Association for the time being in force.

"Register of members"

- vi) "Register of members" means the register of shareholders or members to be kept pursuant to Section 150 of the said Act

"Director and Board"

- vii) "Directors" or the "Board" means the Directors for the time being of the Company or the Directors assembled at the Board as the case may be

"Auditors and Managers"

- viii) "Auditors and Managers" means those officers for the time being of the company.

"Extra ordinary General Meeting"

- ix) "Extra-ordinary General Meeting" means a General Meeting of the shareholders of the company other than the Annual General Meeting.

"In writing" and "Written"

- x) "In writing" and "Written" including printing, lithography and other modes of representing or reproducing work in a visible form except in the case of minutes of meetings which must be written in hand in ink.

"Member"

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

** Inserted Vide Special Resolution of Members dated 19.01.2008 through postal ballot*

“Paid up”

- xii) “paid up” includes credited as paid up.

“Persons”

- (xiii) “Persons” include corporations as well as individuals.

“The Registrar”

- xiv) “The Registrar” means the Registrar of companies, Andhra Pradesh.

“Secretary”

- xv) “Secretary” includes a temporary or assistant secretary and any person or persons appointed by the board to perform any of the duties of a Secretary.

“Seal”

- xvi) “Seal” means the Common Seal for the time being of the company.

“Singular number”

- xvii) Words imparting singular number include where the context admits or requires, the plural number and vice versa.

“Year” and “Financial Year”

- xviii) “Year” means the calendar year “Financial Year” shall have the meaning assigned thereto by Section 2(17) of the act.

“Gender”

- xix) Words imparting the masculine gender shall include the feminine gender.

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

SHARES

3. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively and preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.

Shares under control of Board

- 3 a. The shares shall be under the control of the Board who may allot or otherwise dispose them of to such persons on such terms and conditions and either at a premium or at par and at such times paid up in payment or part payment of any property sold, transferred, goods or machinery supplied or services rendered to the Company in or about the formation or promotion of the Company or the conduct of its business.

Shares at a discount

4. Subject to the provisions of Section 79 of the Companies Act, the Board of Directors may issue shares of class already issued at a discount.

Application money

5. The amount payable on application on each share of the company, offered to the public for subscription, shall not be less than 5 percent of the nominal value of the shares.

Redeemable preference shares

6. Subject to the provisions of Section 80 of the Act, the company shall have power to issue preference shares and such preference shares, may with the sanction of an Ordinary Resolution be issued on the terms that they are, or they at the option of the Company be cumulative or otherwise and shall carry such fixed by the Central Government, from time to time subject to payment of Income Tax or otherwise and are liable to be redeemed on such terms and in such manner as the company may before the issue of the shares, determine.

****Convertible Preference Shares**

- 6A. Subject to the provisions of the Companies Act, 1956, the Company shall have the power to issue Convertible Preference Shares and such Preference Shares may with sanction of an Ordinary Resolution be issued on the terms that they are, or they at the option of the Company be Cumulative or otherwise and shall carry such fixed rate of dividend not exceeding 11 percent or at such rate as may be fixed by the Central Government, from time to time subject to payment of Income Tax or otherwise and may be converted into Equity Shares at the option of the holders on such terms and in such manner as the Company may before the issue of share determine.

Commission and brokerage

7.
 - i) The company may pay a commission to any person in consideration of :
 - a) his subscribing or agreeing to subscribe whether absolutely or conditionally for any share in, or debenture of the company, or
 - b) his producing or agreeing to procure subscriptions whether absolutely or conditionally for any shares in or debentures of the company.
 - ii) The rate percent or the amount of the commission paid or agreed to be paid in the case of shares, shall not exceed 5% of the price at which the shares are issued, and in the case of debentures 2.5% of the price at which the debentures are issues: and
 - iii) The rate percent or the amount of the Commission paid or agreed to be paid shall be disclosed in the manner required by sub-clause (iii) and (iv) of sub-section (1) of Section 76 of the Act.
 - iv) The commission may be satisfied by the payment of cash on allotment of fully or partly paid shares or partly in one way and partly in the other.
 - v) The Company may pay such brokerage as may be reasonable and lawful.

Calls on shares issued to be made uniformly

8. The Board shall, make, on the issue of Shares, calls for the capital on a uniform basis on all shares falling under the same class. For the purpose of this Article, share of the same nominal value on which different amounts have been paid up shall not be taken to come under the same category.

**** Amended Vide Special Resolution of Members dated 16.06.2007**

Liability of Joint Holder

9. The joint holder of a Share shall be severally and jointly liable to the payment of installments and calls due on such shares.

Trusts not recognised, Registered holder, absolute owner

- 10 Except as required by law, no person shall be recognised by the company as holding any share upon any trust and the company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the Registered holder.

Shareholders Register

- 11 The Company shall cause a Register of Members to be kept in accordance with the provisions of Section 150 of the Act.

Own shares not to be purchased

- 12 Except as provided under Section 77 of the Act no part of the Companies funds shall be employed in the purchase of or lent on the Shares of the Company.

ALTERATION OF SHARE CAPITAL

Increase of Share Capital

13. The Board may from time to time with the sanction of the company or ordinary resolution increase the share capital of the company by such sum, to be divided into shares of such amount and of such class with such rights and privileges attached thereto as may be specified in the resolution

Issue of further shares

- 14 Subject to the provisions of Section 85, 86, 87 and 88 of the Act, the new shares shall be issued at such time or times and on such terms and conditions and with such rights and privileges as may be specified in the Resolution creating the shares.

How issue of new shares to be regulated

15. The provisions of Section 81 of the Act shall regulate any increase of the subscribed Capital of the Company by issue of shares.

Reduction of share capital

- 16 The company may :
- 1) by special resolution and subject to confirmation by the Court reduce its share capital in any way, and in particular and without prejudice to the generality of the foregoing power.
 - a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up:
 - b) either without extinguishing or reducing the liability on any of its shares, cancel any paid up share capital which is lost or is unrepresented by available assets, or
 - c) either with or without extinguishing or reducing liability on any of its shares, pay of any paid up share capital which is in excess of the wants of the company; and may if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

- 2) by special resolution reduce in any manner and with and subject to, any incident authorised and consent required by law.
 - a) any capital redemption account; or
 - b) any share premium account

Consolidation, sub-division, etc. of shares

17. The company may be ordinary resolution :

- a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares ;
- b) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 94 of the Act, and
- c) Cancel any shares which, at the date of passing of the resolution in that behalf have not been taken or agreed to be taken by any person.

SHARES AND CERTIFICATES

Register and index or members

18. The company shall cause to be kept a register and index of member in accordance with Section 150 and 151 of the Act.

Shares to be numbered progressively and no shares to be sub-divided

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

Restriction on allotment

20. The Board shall observe the restrictions as to allotment of shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.

Further issue of capital

21. a) Where it is proposed to increase the subscribed Capital of the Company by allotment of further shares then such further shares 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 that 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 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 the 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, the Company may,
 - i) by a special resolution or

- ii) By an ordinary resolution and with the consent of the Central Government.
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 81 (3) of the Company may increase its subscribed capital on exercise of an option attached to debenture issued or loan raised by the company to convert such debentures or loans into shares, or to subscribe for shares in the company.

Share under control of Board

- 22 Subject to the provisions of these Articles and of the Act, these shares shall be under the control of the Board, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Board thinks fit and with full power to allot shares of any class of the Company either, subject to the provisions of Section 78 & 79 of the Act at a premium or at par or at a discount provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting. The board shall cause to be made the returns as to allotment provided for in Section 75 of the Act

Powers of General Body regarding issue of shares

- 23 In addition to and without derogating from the powers for that purpose conferred on the Board under Article 14 & 15 of the Company in general meeting may, subject to the provisions of Section 81 of the Act, determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either, subject to compliance with the provisions of Section 78 & 79 of the Act, at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the company either, subject to the compliance with the provisions of Section 78 & 79 of the Act, at a premium or at a discount 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.

Liability of Joint-holders of shares

24. The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls and interest on installments and calls due in respect of such shares

Registered address of Shareholders

25. Every shareholder shall name to the company a place in India to be registered as his address and such address shall be deemed for all purposes his place residence.

Registration of shares

26. Shares may be registered in the name of any person, the joint holders or any limited company but not in the name of a minor, nor shall more than four persons be registered as joint holders of any share.

Acceptance of shares

27. Any application signed by or on behalf of an applicant for shares in the company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of members shall, for the purpose of these Articles, be a member.

Liability of members

28. 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 inscription of the name of the allottee in the Register of Members as the name of the holder of shares become a debt due to and recoverable by the company from the allottee thereof, and shall be paid by him accordingly.
29. 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 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.

Issue of Share Certificates

30. 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 issue against letters of acceptance or of renunciation, or in cases of issue of the 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 the duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and the two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, atleast one of the aforesaid two Directors or a wholetime Director if any. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. Particulars of every shares 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 Articles, be treated as a single Member and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.
- c) A Director may sign a share certificate by affixing his signature thereon by means of any machine equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine equipment or other material used for the purpose.

Renewal of share certificate

- 31 a) No certificate or any share or shares shall be issued either in exchange for those which are sub divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilized; unless the certificate in lieu of which it is issued is surrendered to the Company. No fee shall be charged for a certificate issued in terms of this Articles.
- 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.....subdivided/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, not exceeding rupees two as the Board may from time to time fix, and on such terms, if any, as to evidence and indemnify as to payment of out of pocket expenses incurred by the company investigating evidence, as the Board think fit.
- d) When a new share certificate has been issued in pursuance of Clause © 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 have been issued in pursuance of Clause (a) or Clause (c) of this Article, particulars or every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" columns.
- f) All blank forms to be issued of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the secretary or such other person as the Board may appoint for the purpose, and the secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- 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 certificates referred to in clause (f) of this Article.
- h) All books referred in clause (g) of this Article shall be preserved in good order permanently.

The first named shareholder deemed sole holder

- 32 If any shares stand 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 an transfer of the shares, be deemed the sole holder thereof but the joint holders of a shares 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 Article.

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

33. Except as ordered by a Court of competent jurisdiction or as by equitable, contingent, future or partial interest in any share or except only as is by these Articles otherwise expressly provided any right in respect of a share other than an absolute right thereto, in accordance with these Article, 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 of them.

Company not to finance or to purchase of its own shares.

34. None of the funds of the company shall be applied in the financial assistance for or in connection with the purchase or subscription of any shares in the company or in its holding company save as provided by section 77 of the Act.

****Dematerialization of Shares**

- 34 A i) Notwithstanding anything contained in the Articles of Association of the Company, the Company shall be entitled to dematerialize its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialized form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media.
- ii) "Beneficial Owner" shall mean the beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.
- iii) "Depositories Act, 1996" shall include any statutory modifications or reenactment thereof.
- iv) "Depository" shall mean a Depository as defined under Clause (e) of Section (1) of Section 2 of the Depositories Act, 1996.
- v) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share and whose name appears as the beneficial owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not (except as order by a Court of competent jurisdiction or as by law required) be bound to recognize a benami trust or equity or equitable, contingent or other claims to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.
- vi) Notwithstanding anything contained in the Articles of Association in the case of transfer of shares or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.

UNDERWRITING AND BROKERAGE

Company may pay commission for shares

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

Brokerage

- 36 The Company may pay a reasonable sum for brokerage in addition to the commission

CALLS

Board's powers to make calls

37. 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

**** Amended Vide Special Resolution of Members dated 16.06.2007**

Board (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all monies 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 the times and places appointed by the Board. A call may be made payable by installments.

Notice of calls

38. Thirty day's notice in writing of any call shall be given by the company specifying the time and place of payment and the persons to whom such call shall be made. A call when deemed made

A call when deemed made

39. 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

Liability of joint holders

40. The joint holders of shares shall be jointly and severally liable to pay all calls in respect thereof.

Board discretion to extend time

41. 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 Member who; 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

Board's powers regarding calls

42. No call shall exceed one fourth of the nominal value of a share, or be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board.

Interest payable on delayed payment of calls

43. If any member falls 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 fixed by the Board not exceeding 9 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.

Sums deemed to be calls

44. Any sum, which by the terms of issue of share 44 Any sum, which by the terms of issue of share becomes payable on allotment or at any fixed date, whether on account of the normal value of the share or by way of premium, shall for the purpose of these Article be deemed to be a call duly made and of which due notice has been given and payable on the date on which by the terms of issue the same became payable and in case of nonpayment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum has become payable by virtue of a call duly made and notified

Proof of monies due on shares in a suit

45. On trial or hearing of any action or suit brought by the Company against any Member or his representative 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 shares the money is sought to be recovered appears entered on the Register of Members as the holder at or subsequently to the date at which the money 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, not that a quorum of Directors was present at the Board 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.

Partial payments not to provide for future

46. 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.

Payment of interest on amount paid in anticipation of calls

47. a) The board may, if it thinks fit, agree to and receive from any members willing to advance all or any part of the amounts payable on his shares beyond the sums actually called up, and upon the monies so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest at such rate, not exceeding, without the sanction of the Company in General Meeting, 9 percent per annum as the member paying the sum in advance and the Board agree upon, provided, that money paid in participate in profits. The Board may agree to repay at any time any amount so advanced or may at anytime repay the same upon giving to the Member three month's notice in writing.
- b) No member paying any such sum in advance shall be entitled to voting right in respect of the monies so paid by him until the same would, but for such payment, become presently payable

LIEN

Company's lien on shares

48. 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 to proceeds of sale thereof for money's called or payable at a fixed time in respect or 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 Article 26 hereof is to have full effect. Such lien extends to all dividends from time to time declared in respect of such share. Unless otherwise agrees, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, in such share.

Endorsement of a lien by sale of shares

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

Application of proceeds of sale

50. 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 or sums not presently payable as existed upon the share before the sale, be paid to the person entitled or the shares immediately prior to the sale.

Notice to members for non payment of share amounts

51. 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 of any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such nonpayment.

Terms of Notice

52. 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 at such rate not exceeding 9 percent per annum 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 nonpayment 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.

Forfeiture of shares for nonpayment

53. If the requirements of any such notice as aforesaid shall not to 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 that effect. Such forfeiture of dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture

Notice of forfeiture to be given to member

54. 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 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 commission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited shares to become the property of the company

55. 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.

Members liability in respect of forfeited shares

56. 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 for 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 not exceeding 9 percent per annum as the Board may determine and the Board may enforce the payment thereof, as it thinks fit.

Effect of forfeiture

57. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

Evidence of forfeiture

58. 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.

Validity of sale of forfeited shares

59. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint a person to execute an instrument of transfer of the share sold and cause the purchasers 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 other application of the purchase money, and after his name has been entered in the Register of Members 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.

Cancellation of share certificate in respect of forfeited shares

60. Upon any sale, allotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of 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 in respect of the said shares to the person or persons entitled thereto

Board's power to annul forfeiture.

61. The Board may at any time before any shares so forfeited shall have sold, reallocated or otherwise dispose off, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

Register of transfers

62. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share. The instrument of transfer any share shall be in writing in prescribed form under the Companies (Central Government) General Rules and Forms, 1956.

Registration of transfers

63. Every instrument of transfer shall be deposited with the Company, and no transfer shall be registered until such instrument shall be deposited together with the certificate of the share or debentures to be transferred and together with any other evidence the directors may require to prove the title of the transfer or his right to transfer the shares or debentures. The instruments of transfer, shall after registration, be kept by the company but all instruments of transfer, which the directors may decline to register shall be returned to the person depositing the same. One instrument of transfer should be in respect of only one class of share. The directors may waive the production of the instrument or any certificate upon evidence satisfactory to them of its loss or destruction and on such terms as to indemnity as the Board of Directors may think fit.

Execution of the instrumentation of transfer

64. Every such instrument of transfer shall be executed both by the transferor and the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee have been entered in the Register of Members in respect thereof.

Closure of transfer books

65. The Board shall have power on giving not less than seven days previous notice by advertisement in a news paper circulating in the District in which the Registered Office is situated to close the Register of Members or Register of Debenture-holders at such time or times and for such periods not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient.

Board's powers to refuse transfer

66. Subject to the provisions of Section 111 of Act, the Board without assigning any reason for such refusal, may, within two months from the date, of which the instrument of transfer was delivered to the Company, decline to register any transfer of shares and, in the case of shares not fully paid-up may refuse to register a transfer to a transferee of whom they did not approve, provided the registration of a transfer shall not be refused on the grounds of the transfer or being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except a lien on shares, if the Board refuses to register the transfer of any share, the Company shall, within two months from the date on which the instrument or transfer was lodged with Company, send to the transferee and the transferor of notice of the refusal

Notice of application for transfer of partly paid shares

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

Death of one or more joint holder of shares

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

Title to the shares of deceased member

69. 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 company shall not be bound to recognize such executors or administrators or holders of succession certificate as the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate of letter of Administration of 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 under Article 64 register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased Member, as a Member, provided further that if the member was member of a Joint Hindu Mitakshara family, the directors on being satisfied to that effect and on being satisfied that the share standing in his name in fact belonged to the joint family may recognize the survivors thereof as having title to the shares

registered in the name of such member. But this provision will in no way be deemed to modify or nullify the provisions contained in Articles 18 and 19 thereof

No transfer to infant etc

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

Registration of persons entitled to shares otherwise than by transfer

71. Subject to the provisions of Articles 61 & 62, any person becoming entitled to the 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 provisions herein contained, and until he does so, he shall not be free from any liability in respect of the shares

Persons entitled to receive dividends without being registered as a member

72. A person entitled to a share by transmission shall subject to 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.

Transfer to be presented with evidence of title

73. 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.

Condition of registration of transfer

74. 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 share, must be delivered to the Company along with, save as provided in Section 108 of the Act a properly stamped and executed instrument of transfer

The Company not to incur any liability for disregarding notice prohibiting transfer of shares

75. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or proposing to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give, effect in any notice which may be given to if of any equitable right, title or interest, or be under any liability whatsoever refusing or neglecting so to do, through 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.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of Memorandum and Articles to be sent to members

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

BORROWING POWERS

Powers to borrow

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

Payment or repayment of monies borrowed

78. The payment or repayment of moneys borrowed as aforesaid may be secured in such a manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at 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) includes its uncalled Capital for the time being and debentures, debenture stock and other securities may be made assignable free from any equities between the company and the persons to whom the same may be issued.

Transfer or issue of debentures

79. Any debentures may be issued at a discount, premium or otherwise and may be issued on the 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 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

Register of Mortgages etc., to be kept

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

Register and index of debenture holders

81. The Company shall, if at any time if issued debentures keep a register and index of debenture-holders in accordance with Section 152 of the Act.

MEETINGS OF MEMBERS

Annual General Meeting and Annual Summary

82. Every Annual General Meeting shall be called for at a time during business hours, 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 office is situated as 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 Director's Report and Audited Accounts and Balance Sheet. Auditor's Report (if not already incorporated in Audited Accounts and Balance Sheet), the Proxy Register with proxies and the Register of Director's shareholdings which 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, Balance Sheet and Profit and Loss Account forward the same to Registrar in accordance with Section 159, 161 and 220 of the Act.

Extraordinary General Meeting

83. The board may, whenever it things fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the Paid up Capital as at the date carried the right of voting in regard to the matter in respect of which the requisition has been made.

Requisition of members to state object of meeting

84. Any valid requisition so made by members must state the 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.

Requisition to call extraordinary General Meeting if the Board fails to act

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 of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid

Meeting called by the requisitions

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

Twenty-one days notice of meeting to be given

87. Twenty one days notice at least of every General Meeting annual or extraordinary and by whomsoever called specifying the day, place and hour of meeting and the general nature of the business to be transacted 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 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 percent of such part of the paid-up share capital of the Company as given a right to vote

at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors. (ii) the declaration of the Dividend, the appointment of and fixing of the remuneration of the Auditors is to be transacted, and in the case of any other meeting in any event there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director and Manager, if any. Where any such items of business relates to or affects any other Company, the extent of shareholding interest in the other Company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty percent 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.

Omission to give notice to invalidate a resolution passed

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

Meeting to transact only business of which notice is given

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.

Quorum at General Meeting

90. Five members present in person shall be a quorum for a General Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
91. If within half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present the meeting, if convened by or upon the requisition of Members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place within the City in which the registered 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.

Chairman of General Meeting

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 shall not be present within ten minutes of the time appointed for holding such meetings or shall decline to take the chair, then the members present shall elect another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair, then the members present shall elect one of their members to be the Chairman.

Business confined to election of Chairman whilst chair is vacant

93. No business shall be discussed at any general meeting except the election of a Chairman, whilst the Chair is Vacant

Chairman with consent may adjourn meeting

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 situate but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

How resolution are put to vote a General Meeting

95. At any General meeting a resolution put to the vote of meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result or the show of hand) demanded by atleast five members having the right to vote on the resolution and present in person or by proxy or by the Chairman or the meeting or by any Member if Members holding not less than one-tenth of the total voting power in respect of the resolution or by proxy any holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up which is not less than one-tenth of the total sum paid-up on all the shares conferring that right, and unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried unanimously, or by a particular majority or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Chairman's casting vote

96. In case of an equality of votes the Chairman shall both other 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 as a member

Poll to take when demanded

97. If a poll is demanded as aforesaid the same shall subject to Article 88 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place within the office is situated 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 meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons who made the demand.

Scrutiny of the votes at poll

98. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the meeting provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other case.

When poll taken without adjournment

99. Any poll duly demanded on election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith

Demand for poll not to prevent transaction of other business

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 then the question on which the poll has been demanded.

VOTE OF MEMBERS

Members in arrears not entitled to vote

101. No member shall be entitled to vote either personally or by proxy at any General Meeting or a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has exercised, any right of lien

Number of votes to which a member is entitled

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 proceeding 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 or by proxy shall, subject to clause (b) of sub-section (1) of Section 87 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 in clause (b) of sub-section (2) of Section 87 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 share.

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

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

How members of unsound mind and minors may vote

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, 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 by his guardian or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting

Votes of joint members

105. If there be joint registered holders of any share, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares as if he were solely entitled there to, but the proxy so appointed shall not have any right to speak at the 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 others or others of the joint holders shall only be entitled to be present at the meeting. Several executions or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

Voting in person or by proxy

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

Votes in respect of deceased and insolvent members

107. Any person entitled under Articles 64 to transfer any share may vote at any General meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eight hours atleast before the time of holding the meeting as the case may be at which he proposed to vote he shall satisfy the Board of his right to transfer such shares and have 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

Appointment of proxy

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 corporation under the common seal of the corporation or be signed by an officer or an attorney duly authorized 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.

Proxy for a specified meeting or period

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.

No proxy except for a body corporate to vote on a show of hands

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 the show of hands as if he were a member.

Deposit of instrument appointing a proxy

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.

Forms of proxy

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

Validity of votes given by proxy notwithstanding death revocation or transfer

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 of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death revocation or transfer shall have been received at the office before the meeting.

Time of objections to vote

114. No objection shall be made to the validity of any vote except at the meeting of 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

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

115. The chairman of any meeting shall be the sole judge of the validity of every vote rendered at

such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Minutes of General Meetings and inspection by members

116. a) The Company shall cause minutes of all proceedings of every general meeting to be kept in accordance with Section 193 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 Meeting shall be kept at the 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

Number of Directors, First Directors, etc.

117. (i) The number of Directors shall neither be less than Three nor more than Twelve inclusive of the nominee directors Technical Directors, Special Directors and Debenture Directors, Alternate and Additional Directors if any, unless otherwise determined by the company in general meeting.
- (ii) The first directors of the Company are :
1. T.V. SANDEEP KUMAR REDDY
 2. D.S. PRASAD REDDY
 3. V. MOHAN

Directors powers to fill up vacancies

118. Subject to the provision of Section 260, 261, 262 and 284 (6) of the Act, the Directors shall have power at any time and from time to time appoint any qualified 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 not been vacated. Any person appointed as an additional Director shall hold office only up to the conclusion of the next Annual General Meeting of the Company, but he shall be eligible for re-appointment at such meeting

Casual vacancy and addition to the Board

119. The Board 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 been vacated.

Alternate Director

120. The Board of Directors of the Company may appoint an alternate Director to act for a Director (hereinafter called "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. And 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.

Nomination of the Directors

121. (i) Subject to the provisions of Section 255 of the Act, the Company may as a result of special arrangement arrived at with any person or body corporate, allow such person's or body corporate 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 with the meanings of these Articles. The number of ex-officio Directors shall not exceed one third of the total strength of the Board at any time. The ex-officio Directors as aforesaid shall not be liable to retire by rotation nor shall their number be taken into account for determining the number of Directors liable to retire by rotation.
- (iii) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to industrial Development Bank of India (IDBI) or any other Financing Corporation or Company or Body corporate (hereinafter referred to so "the Corporation") and/or so long as the corporation holds the shares/debentures in the company as a underwriting assistance granted to the company, each such corporation shall, pursuant to an agreement between it and the Company have the right to appoint one or a more persons as Director(s) on the Board of Directors of the Company (each such Directors hereinafter referred to as "as corporation Director"). The Corporation Director shall not be required to hold qualification shares and shall be liable to retire by rotation. The Corporation may at any time and from time to time remove the Corporation Director appointed by it and may, in the event of such removal and also in case of death or resignation of the Corporation Director, appoint another on his place and also fill any vacancy which may occurs as a result of the Corporation Director ceasing to hold office for any reason whatsoever. Such appointment or removal shall be made in writing by the Corporation and shall be delivered to the Company at its registered office. The Board of Directors of the Company shall have no power to remove from office the corporation Director. The Corporation Director shall be entitled to attend general meetings, Board meetings and Committee meetings of which he is a member, and the Corporation director as well as the Corporation shall be entitled to receive a notices of all such meetings. The corporation Director shall be paid a normal fees and expenses to which other Director are entitled PROVIDED that if the Corporation Director nominated by IDBI, is an officer of the Reserve Bank of India (RBI) or IDBI, no sitting fees shall be payable to him but the Company shall reimburse RBI or IDBI as the case may be, the amounts paid or payable under is rules to such corporation Director an account of traveling and halting allowances and any other expenses for attending any general meeting or any meeting of the Board or Committee of the Board of the Company.
- (iv) In connection with any collaboration arrangement with any Company or Corporation or any firm or person for supply of technical know and/or machinery or technical advice the Directors may authorise such company, corporation, firm or person (hereinafter in the 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") and may agree that such Special Director(s) shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however, that such Special Director shall hold 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 any time, appoint any other person(s) 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 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 one or more person(s) as Director(s).

- (v) The total number of all kinds of directors shall not exceed 12 at any time without the prior sanction of the Central Government.

Qualification share need not be obtained

122. No share qualification shall be necessary for any Director.

Remuneration to Director attending Board or Committee

123. The remuneration of every Director, inclusive of any Alternate Director, if any, and the Debenture Director, if any, shall be such amount as may be fixed by the directors but not exceeding such sum as may be permitted by the Companies Act, 1956 and the Rules made thereunder from time to time, for every Meeting of the Board or a Committee of Directors attended by him.

Further remuneration and reimbursement of expenses of Directors

124. Subject to the provisions or Sections 309, 310 and 314 of the said Act :

- (a) The Directors shall also be paid such further remuneration, if any, as the company in General Meeting may determine from time to time by special Resolution and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may agree among themselves from time to time and in the absence of any such agreement, in proportion to their respective attendances at the Board Meetings during the year proceeding the General Meeting
- (b) 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 arrange 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 under Article 117 (a).
- (c) 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 traveling, lodging, boarding, and other expenses incurred by him in the process of attending the meeting of the Board or Committee at a venue in municipal limits whereof, he is not ordinarily a bonafide resident.
- (d) The Directors shall be entitled to be repaid any traveling and other expenses incurred in connection with the business of the Company.

Directors may act notwithstanding vacancy

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 Article of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting but for no other purpose.

Vacation of office by a Director

126. Subject to Section 283 (2) of the Act, the office of Director shall become Vacant if :

- (a) he fails to obtain within the time specified in sub section (I) of section 270 of the Act or at any time thereafter ceased to hold the share qualifications, if any, required of him by these Articles : or
- (b) he is found to be of unsound mind by a Court of competent jurisdiction, or
- (c) he applies to be adjudicated as insolvent, or
- (d) he is adjudged an insolvent, or
- (e) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others within six months from the date fixed for the payment of such call, unless the Central Government has by notification in official Gazettee removed the disqualification incurred by such failure, or
- (f) If the provisions of the Section 314 (1) are contravened and therefore, he is deemed to have vacated office under sub clause (2) of Section 314 of the Act; or
- (g) He becomes disqualified by order of Court under Section 203 of the Act, or
- (h) He (whether by himself or by any person for his benefit or on his account) or any firm in which he is partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan from the Company in contravention of section 295 of the Act, or
- (i) He is removed in pursuance of section 284 of the Act, or
- (j) He acts in contravention of Section 299 of the Act, or
- (k) He is convicted by a Court any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- (l) He absent himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months whichever is longer without obtaining leave of absence from the board; or
- (m) He having been appointed a Director by virtue of his holding any office or any employment in the Company ceases to hold such office or other employment in the Company

Directors may contract with the Company

127. Subject to the provisions of Section 297 of the Act, a Director or his relative, a firm in which such Director or relative is a partner, any other partner in such a firm or a private company, of which such Director is a member or Director, may enter into a contract with the Company for the sale, purchase or any supply of goods, material or services or for underwriting the subscription of any shares in or debentures of the Company provided that the consent of the Director is obtained by a Resolution passed at a meeting of the Directors before the contract is entered into or within three months of the date on which it was entered into. No such consent, however, shall be

necessary to any such contract or contracts for the purchase or sale of goods and materials for cash at prevailing market price or for the sale, purchase or supply of goods, materials or services in which either the Company or the Directors, firm, partner or private Company, as the case may be, regularly trades or does business provided that the value of such goods and the costs of such services do not exceed five thousand rupees in the aggregate in any calendar year comprised in the period of the contract or contracts. The directors so contracting or being so interested shall not be liable to the company for any profit realised by any such contract to the fiduciary relation thereby established.

Directors to disclose his interest

128. A director who is in any way, whether directly or indirectly concerned, or interested in a contract or arrangement entered into, or proposed contract or arrangement to be entered into by or on behalf of the Company, shall disclose the nature of his concern interest at a meeting of the Board in the manner provided in Section 299 (2) of the Act, provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or any such other company or two or more of them together holds or hold not more than two percent of paid up share capital at any such other company or the company, as the case may be. A general notice given to the Board of 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 or interest in relation to any contract or arrangement to made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board of the Director concerned take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

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

129. No director shall as a Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote shall be void; provided, however, that nothing herein contained shall apply to;

- (a) any contract or 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 share of such number of value therein as in 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

Register of contracts in which Directors are interested

130. The Company shall keep a register in accordance with Section 301 (1) of the Act and shall within the time specified in Section 301 of the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 of Section 299 of Act as the case may be. The register aforesaid shall also specify, in relation to each Director, the names of bodies corporate and firms of which notice had been given by him under Article 122. The register shall be kept at the office and shall be open to inspection to members in accordance with Section 301 (5) of the Act.

Directors may become Directors of Companies promoted by the company

131. A Director may be or become a Director of any Company promoted by the Company, or in which it may be interested as a vendor, shareholder or otherwise and no such Director or Shareholder of such Company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.

Number of directors liable to retire by rotation

132. 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 these Articles, be appointed by the Company in General Meeting. The remaining Directors shall be in accordance with these Articles.

Retirement by rotation.

133. At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three of a multiple of three, the number nearest to one third shall retire from office.

Ascertainment of Directors retiring by rotation

134. Subject to the provisions of Section 262 (2) and 284 (5) of the Act, the Directors to retire by rotation under Articles 126 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 or/and subject to any agreement among themselves, be determined by lot.

Eligibility of re-election

135. A retiring Director shall be eligible for re-election

Filling up the vacancy caused by retirement

136. Subject to the provisions of Sections 255, 256, 258, 261, 264, 284, 314 and other applicable provisions, if any, of the Act, the Company at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

Adjournment of the meeting if the place of retiring Director is not filled up.

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.

Retiring Director when deemed reappointed

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 re-appointed unless :

- (i) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put of 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 by virtue of any provisions of the Act; or
- (v) the provision to sub-section (2) of Section 263 or subsection (3) of Section 280 of the Act is applicable to the case.

Prohibition for the appointment of two or more Directors by a single motion

139. (a) At every Annual General Meeting, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a Resolution that it shall be so made has been first agreed to by the Meeting without any vote being cast against it.
- (b) A resolution moved in contravention of sub-Article (a) of this Article shall be void whether or not objection was taken at the time of its being so moved; provided that where a Resolution so moved is passed, no provision for the automatic reappointment of retiring Directors in default of another appointment shall apply.
- (c) For the purpose of this Article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion of his appointment.

Notice of candidature of office of Director

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

Alteration of the number of Directors and Share Qualification

141. Subject to the provisions of Sections 252, 255 and 25 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors and may alter their qualification. The company may subject to the provisions of section 284 of the Act remove any Director before the expiration of his period of office and appoint another duly qualified person in his stead. The persons 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.

Register of Directors and disclosure by Director of appointment to any other body corporate.

- 142 (i) The company shall keep at its registered office a Register containing the particulars of its Directors and other persons mentioned in Section 303 of the Act and shall within the period of 30 days mentioned in the said Section send to the Registrar a return, containing the particulars specified therein, 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 the share and/or Debentures of the Company held by its Directors, or Manager, if any, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

- (iii) Every Director of the company including a person deemed to be a Director by virtue of the Explanation to sub section (1) of section 303 read with section 7 of the Act) and other persons mentioned in section 303 of the Act, shall, within 21 days of the appointment, to any other above offices in any other body corporated disclose to the company which are required to be specified under sub-section (1) of section 303 of the Act.
- (iv) Every Director and every person deemed to be a Director of the company by virtue of sub-section (10) of section 307 of the Act, shall give notice to the company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section.

MANAGING DIRECTOR

Mode and terms of appointment of managing or whole time Director

143. Subject to the provision 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. A Director so appointed shall not whilst holding that office be subject to retirement by rotation. The Board may by resolution vest in such Managing Director such of the powers hereby vested on 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 be determined. 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.

Restriction on powers of Managing Director

144. The Managing Director shall not exercise the powers to :
- (a) Make calls on shareholders in respect of money unpaid in the shares in the company; and
 - (b) Issue debentures, and except to the extent mentioned in a resolution passed pursuant to section 22 of the Act, the Managing Director shall also not exercise the power to :
 - (c) Borrow moneys.
 - (d) Invest the funds of the champion, and
 - (e) Make loans.
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 an un discharged insolvent, or has at any time been adjudged an insolvent:
 - (b) suspends, or has at any time suspended making payments to his creditors, or makes, or has at any time made, a composition with them, or
 - (c) is has at any time been convicted by a court of an offence involving moral turpitude.

Special position of Managing Director

146. The Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation in accordance with Article 125, but he shall be subject to the same provisions as to resignation and removal as the other Directors and if he ceases to hold the office of Director he shall if so facto and immediately ceases to be the Managing Director

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of Directors

147. The Directors may meet together as a Board for the dispatch of business from time to time as provided in Section 285 of the Act. The Directors may adjourn and otherwise regulate their meetings as they think fit.

Notice of Meetings

148. Save with the consent in writing of all the Directors not less than fifteen day" notice in writing shall be given of every meeting of the Board. Such notice shall be given to every director for the time being in India, and at his usual address in India to every other Director. Notice of the date of such meeting shall also be given by cable to every Director not for the time being in India. No meeting of the Directors shall be competent to enter upon discussion or transact any business which was not been mentioned in the notice upon which it was convened unless the Directors present at the meeting unanimously agree to discuss or transact such business.

Quorum

149. Subject to section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose place 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 to two-thirds of the total strength the number of remaining Directors, that is to say; the number of Directors who are not interested, present at the meeting being not less than two shall be the quorum during such time.

Adjournment of meeting for want of quorum

150. 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 than seven days from the date originally fixed for the meeting.

When meeting is to be convened

151. Subject to the provisions of Article 141 a Director may at any time, and the Secretary upon the request of a Director, shall convene a meeting of the Board.

Election of Chairman

152. The Board may nominate one of their members as its Chairman. The said Chairman shall have casting vote in addition to his own vote, if at any meeting of the Board the Chairman is not present within 15 minutes after the time appointed for holding the same, the Directors present may choose one of their members to be chairman for the meeting.

Questions of Board meetings how decided

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 or casting vote.

Powers of Board meeting

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, power and discretions which by or under the Act or these Articles are for the time being vested in or exercisable by the Board generally.

Board may constitute committees.

155. Subject to the restrictions contained in Section 22 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 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 purpose of its appointment but not otherwise shall have the like force and effect as if done by the Board.

Meetings of the committees how to be governed

156. The meeting and proceedings of any 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.

Resolution by circulation

157. No resolution shall be deemed to have been duly passed by the Board or by the 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.

Acts of Board or committees valid notwithstanding defects in appointments

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 of any of them had been terminated by virtue of any provisions contained 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 be 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.

Minutes of Proceedings of meetings of the Board

159. (a) The Company shall cause minutes of all proceedings of every meeting of the Board to be kept in accordance with section 193 of the Act.
- (b) Any such minutes shall be evidence of the proceedings recorded therein

General power of the company vested in the Board

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 Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that on exercising any such power or doing any such act or thing the Board shall be subject to the provisions in that behalf containing 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 thereunder, including, but no regulations made by the

Company General Meeting, but no regulations 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.

Power to make reserve and other funds

161. Before recommending any dividend, the Board may from time to time set aside out of the profits of the Company such sums as they may think proper for depreciation or to Deprecation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special Fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintain any of the property of the Company and for such other purpose as the Board may, in its absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, may from time to time invest the several sums so set aside or so much thereof as required to be invested, upon such investments other than shares of the Company) as it may think fit and from time to time may deal with and every such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in its absolute discretion, thinks conducive to the interest of the Company notwithstanding that the matter to which the Board apply or upon it expends the same or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and may divide the Reserve Fund into such special Funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of Reserve Fund to another Reserve Funds or division of Reserve Fund and with full power to employ the assets consisting all or any of the above funds including Depreciation Fund in the business of the Company or in the purchase or repayment of debentures or debenture stock and without being bound to pay interest on the same with power, however, to the Board at its discretion pay or allow to the credit of such funds interest at such rate as the Board may think proper not exceeding nine per cent per annum.

MANAGEMENT

Prohibition of simultaneous appointment of more than one of the categories of Managerial Personnel.

162. The Company shall not appoint or employ at the same time more than one of the categories of managerial personnel named in Section 17A of the Act.

THE SECRETARY

Secretary

163. The Board may from time to time appoint and, at its discretion, remove any individual (hereafter called the "Secretary") to perform any functions which by the Act are to be performed by the Secretary, and to execute any other purely ministerial or administrative duties which may from time be assigned to the Secretary by the Board. The board may also at any time appoint some person (he need not be the Secretary) to keep the registers required to be kept by the Company.

THE SEAL

The Seal, its custody and use

- 164 (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 shall never be used except by the Authority of the Board or a committee of the Board previously given

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

Deeds how executed under seal

165. Every deed or other instrument to which the seal of the Company 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 other person appointed by the Board for the purpose.

DIVIDENDS

Division of profits

166. 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

The company in general meeting may declare a dividend

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

Dividends to be paid only out of profits

168. 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 provision of Section 205 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 years.
- (b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or any 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 to 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 Section 205 (2) of the Act or against both.

Interim dividend

169. The Board may from time to time pay to the Members such interim dividend as in their judgement the position of the Company is justified.

Capital paid in advance at interest not to earn dividend

170. 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.

Dividends in proportion to amounts paid-up

171. The Company shall pay dividends in proportion to the amount paid-up on each share where a large amount is paid on some shares then on others.

Retention of dividends until completion of transfer under Article 65

172. The Board may retain the dividends payable upon shares in respect of which any person is, under Article 65 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 share or shall duly transfer the same.

Dividends etc., to joint holders

173. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus or other monies payable in respect of such share

Members not to receive dividend whilst indebted to the company and the company's right of reimbursement therefrom

174. No Member shall be entitled to receive payment of any interest or dividend in respect of his 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 to any Member all sums of money so due from him to the Company.

Transfer without registration of shares will not have a right for dividend

175. A transfer of shares not pass the right to any dividend declared thereon before the registration of the transfer.

How dividends are remitted

176. Unless otherwise directed any dividend may be paid by cheque or warrant or by a pay slip or receipt having the nature 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 if lost in transmission, or for any 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.

Unclaimed dividend

177. All dividends unclaimed or remaining unpaid shall be dealt with in accordance with the provisions of Section 205 A and 205B and any other amendment to be made hereafter in the Act.

Dividend and call together

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 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.

Capitalisation

179. (a) The Company in General Meeting may, upon the recommendation of the Board resolve that any monies, 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 premiums received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the share holders as would be entitled to receive the same if distributed byway of dividend and in the same proportions

on the footing that they become entitled thereto as Capital and that all or any part of such capitalised fund be applied on behalf of such share holders in paying up in full, either at par or at such premium as the resolution may provide, any unissued shares or debentures of debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures of debenture stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum provided that a share premium account and a capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of un issued shares to be issued to Members as fully paid bonus share.

- (b) A General Meeting may resolve that any surplus monies arising from the realisation of any capital assets of the Company or any investment representing the same, or any other undistributed profits of the Company not subject to share for Income Tax be distributed among the Members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under preceding paragraphs of the 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 of distribution of any specific assets and may determine that such case payment shall be made to any members upon the footing of the value so fixed or that fractions of less value than Rs.10/- may be disregarded in order to adjust the rights of all parties and may vest any such cash or specific assets in trustee upon such trusts for the persons entitled too the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividends or capitalised fund and such appointment shall be effective

ACCOUNTS

Board to keep true accounts

180. (a) The Board shall cause to be kept in accordance with Section 209 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 take 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 places as the Board may determine in accordance with the provisions of section 209 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 proceeding the current year.

Inspection of books of accounts by members

181. The Board shall from time to time determine whether and to what extent and at what items 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 inspection of any account or book or document of the company except as conferred by the law or authorised by the Board.

Statement of accounts to be furnished to Annual General Meeting

182. The Board shall from time to time in accordance with Sections 210,211,212,213,215,216 and 217 of the Act cause to be prepared and to be laid before the company in Annual General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as required by these sections.

Copies to be sent to each member

183. A copy of every such Profit and Loss Account and Balance Sheet (including the 'Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet) shall at least twenty one days before the meeting at which the same 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

Auditors to be appointed

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

When audited and approved accounts become conclusive

185. Every account of the company when audited and approved by an Annual General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and hence forth shall be conclusive.

DOCUMENTS AND NOTICES

Service documents or notices on members by the company

- 186 (a) A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address, or if he has no registered address in India, to the address, if any in India supplied by him to the company for serving documents or notice on him.
- (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, preparing and posting a letter containing the documents or notice, provided that where a member has intimated to the company in advance that documents or notices should be sent to him under certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing such 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 a 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 the letter containing the notice is posted and, in any other case, at that time at which the letter would be delivered in the ordinary course of post.

Service by advertisement

187. A document or notice advertised in a newspaper circulating in the neighborhoods 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 to registered address within India and has not supplied to the Company an address with in India for the serving of documents on or the sending of notices to him

On joint holders

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

On personal representative

189. A document or notice may be served on or given by the Company to the persons entitled to 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 representatives of the deceased, or assignee of the insolvent or by any like description, at the address, if any in India supplied for the purpose by their person claiming to be so entitled, or until such and 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.

Persons entitled to documents or notices

190. Documents or notices of every General Meeting shall be served or given in same 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 and (c) the Auditor or Auditors for the time being of the Company.

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

191. 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.

Signature on the document or notice

192. 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 hereto may be written, printed or lithographed.

Service of document or notice by member

193. All documents or notices to be served or given by Member 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.

Copies of documents and notices to members whose address is situated outside India

194. Notwithstanding and in addition to the provision of Articles 180 to 187 (both inclusive) the Company shall, at the written request of any Member whose registered address is situated outside India, send a copy of each document or notice to such Member at such registered address by prepaid air mail at the same time as documents or notices are sent or given as herein before provided and at the like request of such members at the same time a cable shall be sent to such Member at such registered address informing him that documents or notices prepaid air mail and of sending such cables shall be for the account of the Members concerned who shall from time to time as may be necessary deposit with the Company a sum sufficient to meet the cost involved.

WINDING UP

Liquidator may divide assets in specie.

195. (a) If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the Capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively. And if in 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 the clause is to be without prejudice to the rights to 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 or any part of the assets of the Company and may, with the like sanction, vest any part of assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit.

INDEMNITY AND RESPONSIBILITY

Right to indemnity by Directors and officers

196. Subject to Section 20 of the Act every officer or agent for the time being of the Company shall be indemnified out of the asset of the Company against liability incurred by him in defending against any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

SECRECY CLAUSE

Secrecy

197. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe 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 matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions 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 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.

Sl. No.	Names, Descriptions, Occupations, and addresses of Subscribers with their Signature	Names, Address, Description, Occupation and Signature of the witness
1.	<p>Sd/- B.V. RAMANA RAO S/o. B. Krishna Murthy H.No. 1-1-421/1/A, Gandhinagar, Hyderabad. <i>Service</i></p>	
2.	<p>Sd/- N. MURALI S/o. B. Narayana Rao 2-2-1130/50/C, New Nallakunta, Hyderabad. <i>Service</i></p>	
3.	<p>Sd/- D.S. PRASAD REDDY S/o. D.V. Ramana Reddy 5-9-88/1, Fathemaidan, Hyderabad. <i>Chartered Accountant</i></p>	<p>Sd/- N. RAMU S/o. Sri N.S. Rao Basement, 5-9-88/1 & 2, Chapel Road, Hyderabad. <i>Chartered Accountant</i></p>
4.	<p>Sd/- D.S.B. SRIDEVI W/o. D.S.P. Reddy Flat No. 403, Aditya Apartments, Durganagar Colony, Panjagutta, Hyderabad. <i>Housewife</i></p>	

Sl. No.	Names, Descriptions, Occupations, and addresses of Subscribers with their Signature	Names, Address, Description, Occupation and Signature of the witness
5	Sd/- T.V. SANDEEP KUMAR REDDY S/o.T. Subba Rami Reddy Road No. 3, Banjara Hills, Hyderabad. Business	
6.	Sd/- V. MOHAN S/o. N.S. Venkateswaran 10-3-36, East Marredpally, Secunderabad - 26. Service	Sd/- N. RAMU S/o. Sri N.S. Rao Basement, 5-9-88/1 & 2, Chapel Road, Hyderabad. Chartered Accountant
7.	Sd/- G.V. SUBBA RAO B-7/F-3, Vijayanagar Colony, Hyderabad - 500 457. Service	

Place : Hyderabad

Date : 13-11-1991