B-1

UNDER THE COMPANIES ACT,1956
(1 OF 1956)

(A COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF

HINDUSTAN BIO SCIENCES LIMITED

CONSTITUTION OF THE COMPANY

(1) Table A in schedule 1 to the companies Act, 1956 be adopted and shall apply to the company to the extent so far as its regulations are not inconsistent or repugnant to any of the Articles of Association of the company.

INTERPRETATION CLAUSE

2. The marginal notes hereto shall not effect the construction hereof. In these presents, the following words and expressions shall have the following meanings, unless excluded by the subject or context: Interpretation

Nanguneri Srinivasan Ponnunambi
Digitally signed by Nanguneri Srinivasan Ponnunambi
DN: cn=Nanguneri Srinivasan Ponnunambi, o=IN, ou=Personal, email=ponnunambi@hsca.in, c=IN, l=Hyderabad, st=Andhra Pradesh, o=Ministry of Company Affairs, ou=Ministry of Company Affairs - Registration Authority, email=ponnunambi@hsca.in
Reason: Certified as a MCA copy
Date: 2018.04.09 15:15:35 +05'30'

The Act	a)	'The Act' means The Companies Act 1956'.
The Board or Board of Directors	b)	'The Board' or 'The Board of Directors' means a meeting of Directors duly called and constituted or as the case may be the Directors assembled at a Board Meeting or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.
The Company	c)	'The Company' or 'This Company 'means **HINDUSTAN BIO SCIENCES LIMITEI**
Directors	d)	'Directors' means the Directors for the time being of the Company or as the case may be the Directors assembled at a Board Meeting.
In writing	e)	'In writing' includes printing, lithography, typewriting and any other usual substitutes for writing.
Members	f)	'Members' shall mean Members of the Company holding a share or shares of any class and registered in the Share Register of the Company.
	g)	Month shall mean the Calendar month.
The Office	h)	'The Office' means the Registered Office of the Company.
Paid up	i)	'Paid up' shall include "Credited as fully paid up".
Person	j)	'Persons' shall include any Corporation as well as individuals.
Proxy	k)	'Proxy' includes Attorney duly constituted under a Power of Attorney.
Presents	l)	'These Presents' or 'Regulations' means these Articles of Association as originally framed or altered from time to time and in force for the time being and include the Memorandum of Association where the context so requires.
Register	m)	'The Register' shall mean the Register of Members to be kept as required by Section 150 of the Act.
Seal	n)	'The Seal' means the Common Seal for the time being of the Company.
Special Resolution	o)	'Special Resolution' shall have the meaning assigned Resolution thereto by the Act.
Words	p)	'Words importing the singular shall include the plural and words importing the plural shall include the singular'.
	q)	'Words importing the masculine gender shall include the feminine gender and vice versa'.
Section	r)	'Section' means Section of the Companies Act, 1956.
Year	s)	'Year' means year of account of the Company.

COMMENCEMENT OF BUSINESS

ent of	3.	The Company shall commence business or exercise any borrowing powers only after the requirement of Section 149 of the Act, shall have been complied with.
investment ompany's	4.	Except as provided by Section 77 of the Act, no part of funds of the Company shall be employed in the purchase of the shares of the Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with the purchase of or subscription made or to be made by any person of or for any shares in the Company.

"Beneficial Owner" shall mean beneficial owner as defined in clause (a) of subsection (1) of section 2 of the Depositories Act, 1996.

"Depositories Act, 1996" shall include any statutory modification or re- enactment thereof.

"Depositories" shall mean a Depository as defined in clause (e) of Sub-Section (1) of section (1) of section 2 of the Depositories Act, 1996.

"SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Security" means such security as may be specified by SEBI from to time.

"Member " means members of the Company holding a share or shares of any class and includes the beneficial owner in the records of the Depository.

" The Register Of Members" means the Register Of Members to be kept as required by section 150 of the Act and where shares are held in dematerialised form " The Register of Members" includes the Register of Beneficial Owners maintained by a Depository.

CAPITAL AND INCREASE AND REDUCTION IN CAPITAL

5. The Authorised Share Capital of the Company is Rs.11,00,00,000 (Eleven Crores only) divided into 11,00,000 Equity Shares of Rs.10/- (Rupees Ten Only) each to be increased or reduced in accordance with the relevant provisions of the Companies Act, 1956. — Share Capital As amended vide EGM dt. 22.03.96

6. a) The Board may, at its discretion, convert the unissued Equity Shares into Preference Shares or Redeemable Preference Shares and vice versa and the Board may issue any part or parts of the unissued shares upon such terms and conditions and with such rights and privileges annexed thereto as the Board at its discretion and subject to the provision of Section 86 of the Act thinks fit, and in particular may issue such shares with such preferential or qualified right to dividends and in the distribution of the assets of the Comapny as the Board may subject to the aforesaid section determine. — Board's right to convert unissued shares if any

b) The Board may, at its discretion issue any portion of the Preference Shares not already issued, as redeemable preference shares which are at the option of the Company liable to be redeemed and subject to the provisions of Section 80 of the Act, on such terms to dividends preferential payment or return of the amount paid up thereon and as to conditions and terms of redemption as the Directors may deem fit.

7. The Board shall duly comply with the provisions of Section 75 of the Act, with regard to all allotment of shares form time to time. — Allotment Return

8. 1) Where at the time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares whether out of the unissued capital or out of the increased share capital then: — Further Issue of Shares

a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, near as circumstances admit, to the capital paid up on those shares at the date.

b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVICED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.

2) Notwithstanding anything contained in sub-clause (1) thereof, the further Shares aforesaid may be offered to any persons (whether or not these persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

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

b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting

(including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an applciation made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

3) Nothing in sub-clause (c) of (1) hereof shall be deemed.

a) To extend the time within which the offer should be accepted; or

b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

4) Nothing in this Article shal apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company:

i) To convert such debentures or loans into shares in the Company; or

ii) To subscribe for shares int he Company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf, and

b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

Shares at the disposal of the Directors

9. (1) Subject to the provisions of Section 81 of the act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Variation of rights

10. The rights attached to each class of shares (unless otherwise provied by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing of the holders of three-fourths of the issue shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply, except that then necessary quorum shall be two persons at least holding or representing by proxy one tenth of the issued shares of that class.

9(2) EMPLOYEE STOCK OPTION SCHEME

The Directors are hereby authorised to issue Equity shares or debentures (whether or not convertible into equity shares) for offer and allotment to such of the officers, employees and workers of the company as the directors may select for the benefit of the officers, Employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the directors may formulate. Subject to the consent of the stock exchanges and of the securities and exchange board of India, the Directors may impose the condition that the shares in or debentures of the company so allotted shall not be transferable for a special period.

Article 16 (2): DEMATERIALISATION OF SECURITIES:

The Company shall be entitled to dematerialise its existing shares, debentures its existing shares, debentures and other securities, held in the depositories and/or offer its fresh shares, debentures and other securities, in a dematerialised form pursuant to the Depositories Act, 1996 and the securities and exchange board of India (Depositories and participants) regulations, 1996.

Option for investors

"Every person subscribing to securities offered by the company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository the company shall intimate such person depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security."

Securities in Depository to be in fungible form:

"All Securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in section 153, 153A,153B,187B,187C and 372A of the Companies Act, 1956 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners."

Rights of Depositories and beneficial owners:

(a) Notwithstanding any thing to the contrary contained in the Act or the Articles, a depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
(c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may

be served by such depository on the company be means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

Nothing contained in section 108 of the Act of the Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of the depository.

Allotment of securities dealt with in a depository

Notwithstanding any thing contained in the Act, or the Articles, where securities are dealt with by a depository , the company shall intimate the details thereof to the depositor immediately on allotment of such securities.

16 (c) NOMINATION FACILITY TO THE SHARE HOLDERS / DEBENTURE HOLDERS

A (i) Every shareholder or debenture holder of the company may at any time nominate a person, to whom his shares or debentures shall vest, in the event of his death in such manner as may be prescribed under the Act.

(ii) Where the shares and debentures of the company are held by more than one person jointly, all the joint holders may collectively nominate a person to whom all the rights in the shares vest with such nominated person, in the event of death of all the joint holders in such manner as may be prescribed under the act.

(iii) Unless a nomination pervasively made is cancelled, notwithstanding anything contained in any law for the time being in force or in any disposition whether testamentary or otherwise, any other person becomes entitled to the rights and other privileges conferring on any share or debenture on the death of holder of such share or debenture as the case may be, only the nominee registered with the company shall to the exclusion of all others be entitled to all the rights and privileges attached to such share or debenture.

(iv) Where the nominee is a minor, is shall be lawful for the holder of the shares or debenture to the nomination to appoint any person to act on behalf of the minor in the manner prescribed under the act, in the event of his death, during the minority.

B . A nominee upon production of such evidence as may be required by the board and subject as hereinafter provided, elect, either.

(i) To register himself as holder of the share or debenture, as the case may be or

(ii). To transfer the shares and/or debentures, as the deceased shareholder or debenture holders as the case may be, could have made.

C. (i) If the nominee elects himself to be registered as holder of the shares or debentures as the case may be, he shall deliver or send to the company a notice in writing signed by him stating that he so elected and such notice shall be accompanies with death cetificate of the deceased shareholder or debenture holder, as the case may be.

(ii) A nominee shall be entitled to the share dividend/ interest and other advantages to which he would be entitled if he were registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures and if the notice is not complied with in ninety days, the board may thereafter withhold payment of the all dividends, bonuses or others in respect of the shares or debentures until the requirements of the notice have been complied with.

Distinctive Numbers of Securities held in a Depository

Nothing contain in the Act are these Articles regarding the necessity of having Distinctive Numbers for securities issued by the company shall apply to securities held with Depository.

Register and Index of beneficial owners

The register and index of beneficial owners maintained by a depository under the depositories Act, 1996 shall be deemed to be the Register and index of members and Security holders for the purposes of the articles."

of death as they deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

e) All notices directed to be given to the members shall be given to whichever such persons is named first in the register, and notice so given shall be sufficient notice to all the holders of such shares.

SHARE CERTIFICATES

Issue of share certificates

16. Every certificate of title of shares shall be issued under the seal of the Company. Every share certificate and every document of title to the shares whether in renewal of on existing share certificate or other document of title or issued for the first time shall be issued, under the authority of the Board of Directors and in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any modification thereof and in accordance with the provision of law or other rule having the force of law applicable thereto. 1 16(6) Nominations

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SHARE AND DEBENTURE CERTIFICATES

Limitation of time for issue of certificates

17. Every member shall be entitled, without payment, to one or more Certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal or any of its shares as the case may be. Every Certificate of Shares shall be under the seal of the company and shall specify the numbers and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve.

18. Provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder.

Endorsement of transfer

19. In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and name of that transferee and other particulars, on the existing share certificate and otherwise any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate, in the name of the transferee.

Issue of new certificate in place of one defaced, lost or destroyed.

20. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the Company deem adequate, being given, and a new Certificate in lieu., thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the Article shall be issued without payment fees if the Directors so decide or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in

replacement of those which are old, decrepit or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the company.

21. The Company shall have a first and paramount lien upon all the Shares/ Debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. — Company's lien on Share/debentures

22. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they think fit but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holder of the shares for the time being, or to the person entitled to the shares by reason of the death, insolvency of the registered holder. — Enforcing of lien by sale

23. To give effect to such sale, the Board of Directors may authorise some person to transfer the shares sold to the purchaser thereof and the purchasee shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. — Authority to transfer

24. 1) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

2) The residue, if any, shall, subject to like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. — Application of proceeds of sale

25. Any money due from the Company to a shareholder, may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person to the Company in respect of calls or otherwise. — Application of any money due to a shareholder

CALLS ON SHARES

26. Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to — Calls

the person and at the date, time and place or at the dates time and places appointed by the Board of Directors.

27. The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is fixed the call shall be deemed to have been made on the date on which the resolution of the Board making the call was passed. — Call when deemed to be made

28. Not less than fourteen days notice of any call shall be given specifying the date, time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof. — Notice for call

29. If by the terms of issue of any share or otherwise any amount is made payable at any fixed date or by instalments at fixed dates whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly. — Sums payable at fixed date to be treated at calls

30. 1) If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at such rate fixed by the Board of Directors from the day appointed for the payment, thereof to the time of the actual payment, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part. — Call to Carry interest

    2) The provisions of this Article as to payment of interest shall apply in the case of non-payment of any sum which by the terms of a share becomes payable at a fixed date whether on account of the amount of the share or by way of premium, as if the same had becomes payable by virtue of a call duly made and notified.

31. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced. — Payment on call in advance

    The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

    The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

32. Neither in judgement nor a decree in favour of the Company, for calls or other moneys due in respect of any share, nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any member in respect of any share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, — Partial payment not to preclude forfeiture

shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

TRANSFER AND TRANSMISSION

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

Proceedures transfer of shares

34. 1) The instrument of transfer of any shares in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. The instrument of transfer shall be in respect of only one class of shares and should be in the form prescribed under Section 108 of the Act.

2) The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferee has been delivered to the company along with the certificate relating to the shares and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board of Directors that an instrument of transfer signed by the transferor and the transferee has been lost, the Company, may, if the Board of Directors think fit, on an application in writing made by the transferee and bearing the stamp required on an instrument of transfer register the transfer on such terms as to indemnify, as the Board of Directors may think fit.

3) An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and the Company shall, unless objection is made, by the transferee, within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

4) For the purpose of sub-clause (3) notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shallb e deemed to have been delivered in the ordinary course of post.

5) Noting in Clause (4) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

6) Nothing in this Article shall prejudice the power of the Board of Directors to refuse to register the transfer of any shares to a transferee, whether a operation of law.

Instrument of transfer

35. The instrument of transfer shall be in writing and all provisions of section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof.

36. Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account, whatsoever except when the company has a lien on the shares. Transfer of Shares/debentures in whatever lot shall not be refused.

Directors may refuse to register transfer

If the Board refuses to register any transfer or transmission of right, they shall within 1 month from the date on which the instrument of transfer or the intimation of such transmission was delivered to the Company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be.

In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section III of the Act.

The provisions of this Clause shall apply to transfers of stock also.

37. The Board of Directors may also decline to recognise any instrument of transfer unless:

a) The instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of transferor to make the transfer; and

Further right of Board of Directors to refuse to register

b) The isntrument of transfer is in respect of only class of shares.

38. 1) Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Managing Director or by some other person for the time being duly authorised by the Managing Director in this behalf. In case any transferee of a share shall apply for a new certificate in respect of which the said transfer has been applied for and upon his delivering up to cancelled every old or existing certificate which is to be replaced by new oen.

Endorsement of transfer and issue of certificate

2) Notwithstanding any other provisions to the contrary in these presents no fee shall be charged for any of the following viz.,

a) for registration of transfers and debentures, or for transmission of shares and debentures;

b) for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading;

c) for sub-division of renounceable Letters of Right;

d) for issue of certificates in replacement of those which are old decrepit on worn out, or where the cages on the reverse for recoridng transfers have been fully utilised;

e) No fee shall be charged for registration of transfer, transmission, probate, Succession Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

39. The Company shall keep a book to be called the "Register of Members" and therein shall be entered the particulars of every transfer or transmission of any

Register of Members

shares and all other particulars of share required by the Act to be entered in such register.

40. The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of 8 years on more. — Custody of transfer deeds

41. The Board of Directors may after giving not less than 7 days previous notice by advertisement in some newspapers ciruculating in the district in which the Registered Office of the Company is situated close the Register of Member of Debenture holders for any period or periods not exceeding in the agregate 45 days in each year but not exceeding 30 days at any one time. — Closure of Register of Members

42. The executors or administrators of a deceased member (not being one of several joint holders) shall be the only person recognised by the Company, as having any title to the shares registered in the name of such member and in the case of death of any one or more of the joint holders of any registered shares, the survivors shall be only person recognised by the Company as having any title to or interest in such shares. — Transmission of registered shares

1. Provided that if the member should have been a member of a joint Hindu family the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonging to the shares registered in the name of such member, Provided further in any case it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letters of administration or other legal representation upon such terms as to indemnify or otherwise as to the Board may deem just.

2. Nothing in Clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which were jointly held by him with other persons.

43. 1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided, elect either: — Rights and liabilities of legal representatives

a) to be registered himself as holder of the shares; or

b) to make such transfer of the shares as the deceased or insolvent member could have made.

The Board shall, in either case, have the same right to decline or suspend registration as they would have had, if the deceased or insolvent member had transferred the shares before his death or insolvency.

DEVOLUTION OF RIGHTS

44. 1) If the person so becoming entitled shall elect to be registered as holder of the shares himself he shall deliver or send to the Company a notice in writing by him stating that he so elects. — Notice of election by legal representative

2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

3) All the limitations, registrations and provisions of these regulations to the rights to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occured and the notice of transfer were a transfer signed by that member.

4) A person becoming entitled to a share by reason of the death of insolvency of the holders shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or transfer the share, and if the notice is at complied within ninety days, the Board may thereafter withhold PAYMENT of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Company's right to register by apparent legal owner

45. The Company shall incur no liability or responsiblity whatever in consequence of their registering or giving effect to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable rights or referred thereto in any books of the Company and toany notice which may be given to it of any equitable rights, title of interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have nevertheless be at liberty to have regard to attend to any such notice and give effect thereto, if the Board shall think fit

If call or instalment not paid notice may be given

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

Form of notice of forfeiture

47. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day named, the shares in respect of which the call was made will be liable to be forfeited.

Board's right to forfeit if requirements of notice are not complied with

48. If the requirements of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made, be forfeited by a Resolution of the Board of Directors to that effect, such forfeiture shall include all dividends in respect of the forfeited shares, and not actually paid before the forfeiture.

Sale of forfeited shares

49. A forfeited share may be sold or other disposal of on such terms and in such manner as the Board of Directors may think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board of Directors may think fit.

Liability after for feiture

50. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding remain liable to pay and shall forthwith pay the company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company received payment in full of a nominal amount of shares whether legal proceedings for the recovery of the same had been barred by limitation or not.

Declaration of forfeiture

51. A duly verified declaration in writing that thedeclarant is a Director of the Company and that a share in the Company has been duly forfeited 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 shares and that declaration and receipt of the Company for the consideration,if any given for the shares on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall the registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by way of irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

52. The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomepayable at a fixed time, whether on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified. — Non-payment of sums payable at fixed times

CONVERSION OF SHARES INTO STOCK

53. The Company may by ordinary resolution convert all of or any of its fully paid up shares of any denomination into stock and vice versal. — Conversion of shares

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

55. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held the shares from which the stock arose; but not such privileges or advantages except participation in the dividends and profits of the Company in the assets on winding up shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. — Rights to stock holders

56. Such of the regulations contained in these presents (other than those relating to the shares warrants) as are applicable to paid up shares shall apply to stock and the words 'share' and 'shareholder' in these presents shall include 'stock' and 'stockholders' respectively. — Regulations applicable to shares (paid up) apply to stock or stock holders

ALTERATION OF CAPITAL

57. (1) The Company may from time to time but subject to the and provisions of Section 94 of the Act, alter the conditions of its Memorandum as follows: — Alteration and consolidation of capital

a) Increase its share capital by such amount as it thinks expedient by issuing new shares;

b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

c) Convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denominations.

d) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount, if any unpaid on each reduced share shall be the same

as it was in the case of the share from which the reduced shares is derived.

e) Cancel any shares which, at the date of the passing of the resolution in the behalf, have not been taken or agreed to be taken by any person, and deminish the amount of its share capital by the amount of the shares so cancelled;

f) The resolutions whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others.

57(2) Buy-back of shares

Application of provision of new shares

58. The new shares shall be subject to the same provisions with reference to the payment of calls, of lien, transfer, transmission, forfeiture, and otherwise as the shares in the original share capital.

Reduction of capital etc. by Company

59. The Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

a) its share capital

b) any capital redemption reserve amount, or

c) any share premium account

SHARE WARRANTS

Issue of share warrants

60. 1) The Company may issue share warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly, the Board may in their discretion, with respect to any share registered as fully paid up, on application in writing signed by the persons registered as holder of the share and authenticated by such evidence, if any, as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate, if any, of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time prescribe, issue a share and may provide by coupons or otherwise for the payments of the future dividends on the shares specified in the share warrant.

2) A share warrant shall entitle the bearer to the shares included in (1) and the shares shall be transfered by the delivery of the share warrant and the provisions of the Articles of the Company with respect to transfer and transmission of shares shall not apply thereto.

3) The bearer of a share warrant shall on surrender of the warrant to the Company for cancellation and on payment of such fee as the Board may from time to time prescribe, be entitled to have his name entered as a member in the Register of Members in respect of the shares included in the Warrant.

Requisition of meeting by bearer of share warrants

61. 1) To bearer of a share warrant may at any time of deposit the warrant at the Registered Office of meeting by the Company and so long as the warrant remains so of deposited the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the shares included in the deposit warrant.

57 (2) BUY BACK OF SHARES

Funds of the company may be applied in the purchase of any shares of the company subject to the provisions of the companies act, 1956 (as amended) and guidelines if any, of SEBI in this regard for the time being in force.

) Not more than one person shall be recognised as depositor of the share warrant.

) The Company shall on two days written notice return the deposited share warrant to the depositor.

62. 1) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company. — Disabilities of holder

2) The bearer of a share warrant shall be entitled in all other respects the same privileges and advantages as if he was name in the Register of Members as the holder of the shares included in the warrant and he shall be a Member of the Company.

63. The Board may from time to time make rules as to the terms on which, if they shall think fit, a new warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original warrant or coupon. — Renewal

64. 1) The Company shall within a period of not less than one month nor more than six months from the date at which the Company is entitled to commence business hold a General Meeting of the Members of the Company which shall be called the Statutory Meeting. — Statutory Meeting

2) The Board of Directors shall, not less than 21 days before the date on which the meeting is held, forward a report called the Statutory Report to every member of the Company. Provided that if the Statutory Report is forwarded later than required above it shall, notwithstanding the fact, be deemed to have been duly forwarded if it is so agreed to by all the members entitled to vote at the meeting.

3) The Board of Directors shall comply with the provisions of Section 165 in connection therewith.

GENERAL MEETINGS

65. The Company shall in addition to their meetings hold a General Meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions specified below: — Annual General Meeting

a) The first Annual General Meeting of the Company shall be held within eighteen months of its incorporation.

b) Thereafter an Annual General Meeting of the Company shall be held once in every calender year within 6 months after the expiry of each financial year, subject, however, to the power of the Registrar of Companies to extend the time within which such a meeting can be held for a period not exceeding 3 months and subject thereto not more than fifteen months shall elapse from the date of one Annual General Meeting and that of the next.

c) Every Annual General Meeting shall be called for at a time during the business hours on a day that is not a public holiday and shall be held either at the registered office of the company or at some place within the city, town or village in which the registered office of the Company is situated.

d) Notice calling such meetings shall specify them as the Annual General Meetings.

e) All other meetings shall be referred to as Extra-ordinary General Meetings.

Extra-ordinary General Meetings

66. The Board of Directors may whenever they think fit, convene an Extra-ordinary General Meeting at such time and at such places as they deem fit. Subject to such discussions, if any, given by the Board, the Managing Director or the Secretary may convene an Extra-ordinary General Meeting.

Extra-ordinary General Meeting by requisition

67. a) The Board of Directors shall on the requisition of such members of the Company as is specified below proceed duly to call an Extra-ordinary General Meeting of the Company and comply with the provisions of the Act in relation to meetings on acquisition.

b) The requisition shall set out matters for consideration of which the meeting is to be held, shall be signed by the requisitionists and shall be deposited at the registered office of the company or send to the company by registered post addressed to the Company as its registered office.

c) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

d) The number of members entitled to requisition a meeting with regard to any matter shall be such number of them as held at the date of the deposit or despatch to the registered office of the requisition, not less than 1/10th of such of the paid-up capital of the company as at that date carrier the right of voting in regard to the matter set out in the requisition.

e) If the Board of Directors do not, within twenty-one days from the date of deposit of requisition with regard to any matters, proceed duly to call a meeting for the consideration of these matters on a date not latter than forty five days from the date of deposit of the requisition the meeting may be called by the requisitionists as represent either majority in value of the paid-up share capital held by all of them or of not less than 1/10th of such paid-up capital of the Company as is referred to in sub-clause (d) above.

Length of notice for calling meeting

68. A general Meeting of the Company may be called by of giving not less than 21 days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded in the case of the Annual General Meeting by all the Members entitled to vote there at and in the case of any other meeting, by members of the Company holding not less than 95% of that part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for purpose of this Article in respect of the former resolution or resolutions and not in respect of the latter.

Accidental commission to give notice invalidate meeting

69. The accidental commission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of, or any resolution passed at such meeting.

Special Business

70) a) All business shall be deemed Special that is transacted at an Extra-ordinary General Meeting and also that is transacted at the Annual General Meeting with the exception of business relating to-

i) The consideration of the accounts, balance sheet, report of the Directors and Auditors;

ii) The declaration of dividend;

iii) The appointment of Directors in the place of those retiring, and

iv) The appointments and fixing of the remuneration of the Auditors.

b) Where any times of business to be transacted at the meeting are deemed to be special as aforesaid there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest of any therein of every Director, and the Managing Director, if any, where any item of business consists of the according of approval to any document by the meeting, the time and place where such document can be inspected shall be specified in the statement aforesaid.

Provided that where any item of special business as aforesaid is to be transacted at the meeting of the Company relates to or affects any other Company, the extent of shareholding interest in that other Company of every Director and the Managing Director of the Company, shall also be set out in the statement if the extent of such share holding interest is not less than 20% of the paid-up share capital of that other Company.

PROCEEDINGS AT GENERAL MEETINGS

71. Five members personally present shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business. — Quorum

72. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon by the requisition of members, shall be dissolved, in any other case, it shall stand adjourned to the same day in the next week at the same time and place or such other day and at such other time and place as the Board may determine and if at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum. — If quorum not present when meeting to be dissolved and when to be adjourned

73. The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company. — Chairman of General Meeting

74. If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman, the Directors present shall choose another Director as Chairman and if not Directors be present or if all the Directors decline to take the chair, then the members present shall choose some one of their number to be chairman. — When Chairman absent, choice of another to take the chair

75. The Chairman may, with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting), adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as many be in the case of original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting. — Adjournment of meeting

76. Before or on the declaration of the result at of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion and shall be ordered to be taken by him on demand made on behalf of any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand Rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand. — Quorum General Meeting how decided

Taking of a poll of the Act

77. If a poll is duly demanded in accordance with the provisions of Section 179 it shall be taken in such a manner as the Chairman in accordance with the provisions of the Act and Sections 184 & 185 of the Act direct and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Chairman to have casting vote

78. In the case of an Equality of votes, the Chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the vote or votes to which he may be entitled to as a member.

In what case poll taken without adjournment

79. A poll demanded on the election of Chairman or on a question of adjustment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than 48 hours from the time when demand was made, as the Chairman may direct.

VOTE OF MEMBERS

Voting right of Members

80. 1) Every Member holding any equity shares shall have a right to vote in respect of such shares on every resolution placed before the meeting. On a show of hands every such member present shall have one vote. On a poll, his voting right in respect of his equity shares shall be in proportion to his share of the paid up capital in respect of the equity shares

2) In the event of the Company issuing any preference shares the holders of such preference shares shall have the voting rights set out in that behalf in Section 87 of the Act.

Business may proceed not withstanding demand for

81. A demand for a poll shall not prevent the continuance of a meeting for the transactions of any business other than one which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person who made the demand.

Voting rights of joint holders

82. In the case of joint holders the vote of the first named of such joint holders who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Voting by Members of unsound mind

83. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunancy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may,on a poll, vote by proxy.

No member entitled to vote when call due to Company

84. No member shall be entitled to vote in any general meeting unless all calls or other sums presently payable by him in respect of his shares in the Company have been paid.

Proxies permitted on poll

85. On a poll, votes may be given either personally or by proxy.

Proxies

86. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not unless he be a member have any right to speak at the meeting and shall not be entitled to vote except on a poll.

Instrument of Proxy

87. 1) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a Corporation either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as proxy whether he is a member or not.

2) Corporate body (whether a Company within the meaning of the Act or not)

may, if it is a member or a creditor or a debenture holder of the Company, by the resolution of its Board of Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company or at any meeting of the creditors of the Company held in pursuance of the provisions contained in any Debenture or Trust Deed as the case may be. The person so authorised by resolution as aforesaid 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 in individual member, creditor or holder of debentures of the Company.

3) So as an authorisation under Clause (2) above is in force, the power to appoint proxy shall be exercised only by the person so appointed as representative.

88. The instrument appointing a proxy and the power of attorney, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. — Proxy to be deposited at the Office

89. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or the revocation of the proxy, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the company before the commencement of the meeting, or adjourned meeting at which the proxy is used. — Validity of vote by proxy

90. Every instrument appointing a proxy shall be retained by the Company and shall be in either of the forms specified in Schedule IX of the Act or a form as near there to as circumstances will admit.

91. Subject to the provisions of the Companies Act, 1956, the Chairman of a General Meeting shall be the sole and absolute judge of the validity of every vote tendered at such meeting, or at a poll demanded at such meeting, and may allow or disallow any vote tendered, according as he shall be of opinion that the same is or is not valid. — Chairman's ruling regarding vote final

DIRECTORS

92. Unless otherwise determined by a General Meeting the number of Directors shall not be less than three and not more than twelve including all kinds of directors. — No. of Directors

93. The following shall be First Directors of the Company.

1. Sri K. Kondanda Rama Swamy
2. K. Venkata Subba Rao
3. J. Satyanarayana Rao
4. R. Rajagopal Rao

94. Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding share shall be required of any Director. — Share qualification not necessary

Director's power to fill up casual vacancy

95. Any casual vacancy occuring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office upto the date which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

Additional Directors

96. The Board of Directors shall have power at any time, and from time to time to appoint one or more persons as Additional Directors, provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. Any Additional Director so appointed shall hold office upto the date of the next Annual General Meeting, but he shall be eligible for appointment by the Company at that meeting.

Alternate Directors

97. The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than three months from the state in which the meetings of the Board are ordinarily held, all Alternate Director as appointed shall vacate office if and when the original Director returns to the state in which meetings of the Board are ordinarily held. If the term of office of the original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original Director, and not to the Alternate Director.

Remuneration of Directors

98. Every Director (including the Ex.Officio Director) shall be paid a sitting fee of a sum as prescribed under the act for each meeting of the Board of Directors or of any committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors of any committee thereof or general meeting of the Company or in connection with the business of the Company to and from any place.

Remuneration for extra services

99. If any Director being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving special attention to the business of the Company then subject to Sections 198, 309, 310 and 314 of the Act the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

Continuing Directors may Act

100. The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purposes of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

Vacation of office of Director

101. The office of a Director shall be, vacated if:

a) he is found to be of unsound mind by a court of competent jurisdiction; or

b) he applies to be adjudicated or is adjudged aim insolvent; or

c) he fails to pay calls made on him in respect of shares held by him within six months from the last date fixed for payment of the call unless the Central Government has by notification in the official gazette, removed the disqualification incurred by such failure; or

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

e) he absents himself from three consecutive meetings of the Board 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

f) He (whether by himself or by any person for his benefit of on his account) or any firm in which he is a partner or any private company of which he is a Director accepts a loan, or any guarantee or security for a loan from the Company in contravention of Section 299; or

g) he acts in a contravention of Section 295; or

h) he becomes disqualified by an order of Court under Section 203; or

i) he is removed in pursuance of Section 284; or

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

Provided that notwithstanding anything in sub-clause (b), (d) and (h) above the disqualification referred to in those clauses shall not take effect;

a) for thirty days from the date of the adjudication, sentence or order;

b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or

c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed would result in the removal of the disqualification, until such further petition or appeal is disposed off.

Director may contract with Company

02. 1) Subject to the provisions of the Act, the Directors including the Managing Director, if any, shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, brokers, or otherwise nor shall any contract or arrangement entered into by or on behalf of the company with any Director or the Managing Director or with any Company or Partnership of or in which any Director or the Managing Director shall be a member or otherwise

Interested be avoided nor shall any Director or the Managing Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director or the Managing Director holding that office or of the fiuciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of the Board at which the contract or arrangement is determined on, if the interest then exists or in any other case at the first meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall take part in the discussion of vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so his vote shall not be counted but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not

be counted for the purpose of ascertaining whether there is a quorum of Directors present. The provisions shall not supply to any contract by, or in behalf of the Company to give to the Directors, or the Managing Director(s), or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming or being sureties for the Company, or to any contract, or arrangement entered into, or to be entered into with a public company, or a private company which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely in his being a Director of such Company and the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company or in his being a member holding not more than two per cent of its paid up share capital.

2) A general notice that any Director is a Director or a member of any specified Company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such company or firm shall, as regards any such transaction, be sufficient disclosure under this article and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such Company or firm.

3) A Director may be or become a Director or member of any Company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such Company.

Equal power to Director

103. Except as otherwise provided in these Articles each Director of the Company shall have in all matters equal right and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

Ex-officio Directors

104. A) The term exofficio directors wherever occuring in these presents shall mean and include the Managing Directors appointed under Article 139 below and the ex-officio directors declared under Article 112 and to any Director appointed in pursuance of Article 134 below and referred to as nominated Director.

105. A) Not less than two-third of the total number of the Directors of the Company for the time being holding office shall be Directors whose period of office is liable to be determined by retirement by rotation and who shall be appointed by the Company in General Meeting.

B) At the first Annual General Meeting of the Company the whole of the Board of Directors except Ex-officio Directors shall retire from office and at the Annual General Meeting in every subsequent year, one third of such of the Directors as are liable to retire by rotation for the time being or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.

Retiring Directors eligible for Re-election

106. A retiring Director shall be eligible for re- election and the Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

Which Directors to retire

107. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall unless they otherwise agree among themselves be determined by lot.

108. Subject to the provisions of Section 256 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Directors is not filled up and the Meeting has not expressly resolved not to fill up 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 at the same time and place and if at the adjourned meeting the place of retiring Directors is not filled up and the Meeting has also not expressly resolved not to fill up the vacancy then the retiring Directors or such of them as have not had their places filled up shall be deemed to have been re-appointed at the adjourned meeting.

Retiring Directors to remain in office till successors appointed

109. Subject to the provisions of Section 252, 255 and 259 of Act, the Company in General Meeting may by ordinary resolution increase or reduce the number of its Directors within the limit fixed by Article 92.

Power to General Meeting

110. Subject to the provisions of Section 248 of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person instead; the person so appointed shall be a subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was elected as Director.

Power to remove Directors by ordinary resolution

111. A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a Candidate for that office as the case may be along with a deposit of Five hundred Rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeed in getting elected as Director. The Company shall inform its members of the candidature of a person for the office of a Director or the intention of a member to propose such person as a candidate for that office, by sending individual notices, or the members not less than seven days before the General Meeting. Provided, that it shall not be necessary for the Company to send individual notices or the members as aforesaid, if the Company advertises such candidature intention not less than seven days before the meeting, in atleast two news papers circulated at the place where the office is located, of which one is published in the English language and the other in the regional language of that place.

Right of persons other than retiring Directors to stand for Directorship

112. The Company in General Meeting may when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period or until the happening of such event or contingency as the Board may specify and thereupon such Director shall not be liable for retirement by rotation but shall hold office for the period or until the happening of any event or contingency set out in the said resolution. Such Director shall hereafter be referred to as Ex-officio Director.

Ex-officio Director not liable for retirement

PROCEEDINGS OF THE DIRECTORS

113. 1) The Board of Directors shall meet atleast once in every three calendar months for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that atleast four such meetings shall be held in every year.

Meeting of the Board

2) The Managing Director may at any time summon a meeting of the Board and the Managing Director or a Secretary on the requisition of a Director shall at

any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

Quorum

114. The quorum for a meeting of the Board shall be one-third of the total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of 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. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deduction therefrom the number of Directors, if any, whose places are vacant at the time.

Questions how decided

115. 1) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at Questions which a quorum is present shall be competent to exercise all or any of the authorities powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the votes.

2) In case of an equality of votes, the Chairman shall have a second or casting vote in addtion to his vote as a Director.

Right of continuing Directors when there is no quorum

116. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below three, the continuing Directors may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

Election of Chairman

117. 1) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

2) If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the Chairman of the meeting.

Delegation of powers

118. 1) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

2) Any committee so formed shall in the exercise of the power so delegated, conform to any regulations that may be imposed on it by the Board.

Election of Chairman of Committee

119. 1) If the Chairman of the Board is a member of the Committee, he shall preside over all meetings of the Committee. If the Chairman is not member thereof, the Committee may elect a Chairman of its meeting. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the members present may choose one of their number to be the Chairman of the meeting.

2) The quorum of a committee may be fixed by the Board of Directors and until so fixed if the Committee is of a single member or two members, shall be one and if more than two members, shall be two.

120. 1) A committee may meet and adjourn as it thinks proper. Questions how determined

2) Questions arising at any meeting of a Committee shall be determined by the sole member of the committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the committee.

121. All acts done by any meeting of the Board or of a committee thereof or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that any of them were disqualified be valid as if every Director or such person had been duly appointed and was qualified to be a Director. Validity of Acts done by Board of a Committee

122. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee then in India, not being less in number than the quorum fixed for the meeting of the Board or the Committee, as the case may be, and to all other Directors or members at their usual addresses in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution shall be as valid and effectual as it it had been a resolution duly passed at a meeting of the Board or committee duly convened and held. Resolution by circulation

POWERS & DUTIES OF DIRECTORS

123. The business of the Company shall be managed by the Board of Directors, who may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these presents, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these presents, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. General powers of company vested in Directors

124. Without prejudice to the generality of the forgoing,it is hereby expressly declared that the Directors shall have the following powers, that is to say, power: Further power of Directors

1) To carry on and transact the several kinds of business specified in Clause III of the Memorandum of Association of the Company.

2) To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, government promissory notes, other government instruments, bonds, debentures or debenture-stocks of corporation, local bodies, port trusts, improvement trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares of stock certificates of the Government or other local or corporate bodies in connection with any business or any subject of the Company.

3) At their discretion, to pay for any property rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount

credited nas paid up thereon as may be agreed upon; and any such bonds, specifically charged upon all or any of the prcperty of the Company or not so charged.

4) To engaged and in their discretion to remove, suspend dismiss and remunerate bankers, legal advisers, accountants, cashiers, agents commission agents, dealers, brokers, foreman, servants, employees of every discription and to employ such professional or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interest of the Comnpany and upon such terms as to duration of employment, remuneration or otherwise any amy require security in such instances and to such amounts as the Directors think fit.

5) To accept from any member, on such terms and conditions and shall be agreed, a surrender of his shares or stock or any part thereof.

6) To secure the fulfilment of any contracts or agreements entered into by the Company, by mortgage or charge of all or any of the property of the Company or in such other manner as they may think fit.

7) To institute, conduct, defend, compound or abandon any action, suits and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions suits and legal proceedings.

8) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

9) To determine who shall be entitled to sign on the Company's behalf bills of exchange, pronotes, dividend warrants, cheques and other negotiable instruments, receipts, acceptance endorsements releases, contracts, deeds and documents.

10) From time to time to regulate the affairs of the Company abroad in such manner as they think fit in particular to appoint any person to be the attorneys or agents of the Company either abroad or in India with such powers including power to sub-delegate and upon such terms as may be thought fit.

11) To invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such securities as they think fit.

12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (Present and future) as they think fit any such mortgages may contain a power of sale and such other powers, convenants and provisions as shall be agreed upon.

13) To give to any person employed by the Company a commission on the profit or any particular business or transactions, or a share in the general profits of the Company, and such commission or such share of profits shall be treated as part of the working expenses of the Company

14) From time to time to make, vary and repeal bye laws for the regulations of the business of the Company, its officers and servants.

15) To enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the

name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

16) To pay gratuities, bonus, rewards, presents and gifts to employees or dependents of any deceased employees to charitable institutions or purposes, to subscribe for provident funds and other associations for the benefit of the employees.

Power to delegate to committee

125. Subject to the provisions of Section 292 of the Act, and other provisions of the Act, the Board may delegate from time to time and at any time to a committee formed out of the Directors all or any of the powers, authorities and discretions for the time being vested in the Board and any such delegation may be made on such terms and subject to such conditions as the Board may think fit.

Attorney of the company

126. The Board may appoint, at any time and from time to time by a power of attorney under the Company's seal any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or any of the members of any firm or Company, or the members, Directors, nominees or managers of any firm or Company or otherwise in favour of any body or persons, nominated directly by the Board and any such power of attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.

Power to authorise sub-delegation

127. The Board may authorise any such delegate attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in it.

Duty to maintain registers etc. and record of minutes

1) The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of the mortgages and charges affecting the properties of the Company or created by it and to keeping a Register of the Directors and to sending to the Registrar an annual list of members and a summary of particulars of shares and stock and copies of special resolutions and other resolutions of the Board as are required to be filed with the Registrar under Section 192 of the Act, and a copy of the Register of Directors and Notification of any changes therein.

2) The Company shall comply with the requirements of Section 193 of the Act, in respect of keeping of the minutes of all proceedings of every General Meeting and of every meeting of the Board or any Committee.

3) The Chairman of the meeting may exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

Secretary

128. The Board shall have power to appoint as the Secretary a person possessing the prescribed qualifications and fit in their opinion for the said office, for such period and on such terms and conditions as regards remuneration any and otherwise as they may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Directors.

Power as to commencement of business or branch business

129. Any branch or kind or business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company may be undertaken by the Board at such time or times as they shall think fit and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

Delegation of powers

130. Subject to the provisions of Section 292 the Board may delegate all or any of their powers to any directors jointly or severally or any one director at their discretion.

BORROWING

Borrowing

131. 1) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under Section 293 rise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not without the sanction of the Company at a General Meeting exceed the aggregate to the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose and in particular, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum or money for the purpose of the Company, by the issue of debentures perpetual or otherwise including debentures convertible into shares of this or any other Company or perpetual annunities and in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase redeem or pay off any such securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors.

2) The Directors may by a resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.

3) Subject to the provisions of the above clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by opening current accounts or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture-stock of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as to them may seem expedient.

Assignment of Debentures

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

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

Terms of Debenture issues

b) Any trust deed for the securing of any debenture-stock and or any mortgage deed and or other bond for securing payment of moneys borrowed by or due by the Company and or any contract or any agreement made by the Company with any person, firm, body corporate. Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner, may provide for the appointment, from time to time, by any such mortgage, lender, trustees or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide, that the person appointing a Director as aforesaid may from time to time remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt debentures or on the termination of such contract and any person so appointed as Director under mortage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appoint and provisions in such document as aforesaid shall be valid and effective as if contained in these presents.

134. Notwithstanding anything to the contrary contained in these Articles so long as any moneys remain owing by the company to the INDUSTRIAL DEVELOPMENT BANK OF INDIA (IDBI). The Industrial Credit & Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other financing company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other financing Company or Body is in this Articles referred to as "the Corporation") continue to hold debentures in the company by direct subscription or private placement or so long as the Corporation holds shares in the Comapny as a result of underwriting or direct subscription or so long as any liability of the company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as Director or Directors, whole time or nonwhole time, (which Director or Directors is referred to as "Nominee Director/s") on the Board of the Comapny and to remove from such office any person or persons so appointed and to appoint any person/persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the company. Also at the option of the Corporation such Nominee Director/s

shall not be liable to requirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owning by the Comapny to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaciton of the liability of the company rising out of the Guarantee furnished by the Corporation.

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

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

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

135. The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified. **Register of Mortgages**

136. Where any uncalled capital of the Company is charged, all persons taking any subsequent charges thereon shall take the same, subject to such prior charge and shall not be entitled, by the notice to the share holders or otherwise, to obtain priority over such prior charge. **Subsequent assignees of uncalled capital**

137. If the Directors or any of them or any other persons, shall become liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole of or any part of the assets of the company by way of indemnity to secure the Directors or other persons becoming liable as aforesaid from any loss in respect of such liability. **Charge in favour of Director for indemnity**

Powers to be exercised by Board only at Meeting

138. 1) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

a) Power to make calls on shareholders in respect of moneys unpaid on their shares;

b) Power to issue debentures;

c) Power to borrow moneys otherwise than on debentures;

d) Power to invest the funds of the Company;

e) Power to make loans

2) The Board of Directors may by a meeting delegate to any committee of Directors or to the Managing Director the powers specified in sub-clause (c) and (e) above.

3) Every resolution delegating the power set out in sub-clause (c) above sdhall specify the total amount upto which moneys may be borrowed by the said delegate.

4) Every resolution delegating the power referred to in sub-clause (d) above shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegate.

5) Every resolution delegating the power referred to in sub-clause (e) above shall specify the total amount upto which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

MANAGING DIRECTOR(S) WHOLE TIME DIRECTOR(S)

Appointment to Managing Directors, whole-time Directors

139. a) The Board may from time to time with such sanction of the Central Government as may be required by law, appoint one or more of their body to the office of the Managing Director or Managing Directors or Whole -time Director(s).

b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole-time Directors.

c) In the event of any vacancy arising in the office of a Managing Director or Wholetime Director or if the Directors resolve to increase the number of ManagingDirector(s) or Whole-time Director(s) the vacancy shall be filled by the Board of Directors and the Managing Director/Whole-time Director so appointed shall hold the office for such period as the Board of Directors may fix.

d) If a Managing Director or Whole-time Director ceases to hold office as Director, he shall ipso-facto and immediately cease to be a Managing Director/Whole-time Director.

e) The Managing Director or Whole-time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or Whole-time Director.

Powers and duties of Managing Director or whole-time Director

140. Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provision of the Act, exercise such powers as are exercisable under these presents by the Board of Directors as they may think fit and confer such powers for such time and to be exercised for such

objects purposes and upon such terms and conditions and with such restrictions as they may think expedient and they may confer such powers either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Director(s)/Whole-time Director(s) may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's Direction.

141. Subject to the provisions of the Act and subject to such sanction of the Central Government as may be required for the purpose, the Managing Director(s)/ Whole-time Director(s) shall receive such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine. — Remuneration of Managing Director/Whole-time Director

142. The Managing Director/Whole-time Director shall be entitled to charge and be paid for all actual expenses, if any which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company shall be entitled to be paid by the Company any remuneration that they may pay to such part-time employees. — Reimbursement of expenses

143. 1) The Managing Director/Whole-time Director shall have, subject to the supervision, control and discretions of the Board, the Management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the management of the affairs and transactions of the Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by the Board or Directors and also subject to such conditions or restrictions imposed by the Companies Act, or by these presents. — Business to be carried by Managing Director or whole-time Director

2) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/Whole-time Director and he shall have and exercise all the powers set out in Article 124 above, except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

3) The Board may, from time to time, delegate to the Managing Director or Whole-time Director such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole-time Director by the Board or by these presents.

COMMON SEAL

144. The Board shall provide a common seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the common seal shall be kept at the Registered Office of the Company and committed to the Custody of the Managing Director or the Secretary if there is one. — Common Seal

145. The seal shall not be affixed to any instrument except by authority of a resolution of the Board or of Committee and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed — Seal how affixed

by one Director at least in whose presence the seal shall have been affixed and counter-signed by the Managing Director, Secretary or such other person as may from time to time be authorised by the Managing Director or by the Board, provided nevertheless that any instrument bearing the seal of the Company and issued by valuable consideration shall be binding on the Company notwithstanding and irregularity touching the authority to issue the same.

DIVIDEND

Right to dividend

146. a) The profits of the Company, subject to any special rights, relating thereto created or authorised to be created by these presents and subject to the provisions of these presents, as to the Reserve Fund, shall be divisable among the members in proportion to the amount of capital paid up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interm dividend is paid.

b) Where capital is paid upon any shares 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.

Declaration of dividends

147. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

Interim dividends

148. The Board may from time to time pay to the members such interm dividends as appear to them to be justified by the profits of the Company.

Dividends to be paid out of profits only

149. No dividend shall be payable except out of the profits of the year of any other undistributed profit except as provided by Section 205 of the Act.

Reserve Funds

150. 1) The Board may before recommending any dividends set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board be applicable for any purpose of which the profits of the Company may be properly applied, including provisions for meeting contingencies or for equalising dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

2) The Board may also carry forward any profits when it may think prudent not to divide, without setting them aside as Reserve.

Deduction for arrears

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

Adjustment of dividends

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

Payment by cheque or warrant

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

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

3) Every such cheque or warrant shall be posted within forty-two days from the date of declaration of dividend.

154. Any one of two or more joint holders of a share may give effectual receipt for any dividends, bonuses of other moneys payable in respect of such shares. — Receipt of joint holders

155. Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act. — Notice of dividends

156. No dividend shall bear interest against the Company. — Dividends not to bear interest

157. Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in theat behalf in any scheduled bank called "Unpaid Dividend of GARUDA CEMENTS LIMITED" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. — Unpaid dividends

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board.

158. Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. — Transfer of shares not to pass prior to dividends

CAPITALISATION OF PROFITS

159. 1) The Company in General Meeting, may on recommendation of the Board resolve: — Capitalisation of Profits

a) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's General Reserve account or to the credit of the profit and loss account or otherwise available for distriubtion; and

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

2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in sub-clause (3) either in or towards:

i) Paying up any amounts for the time being unpaid on shares held by such members respectively;

ii) Paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid upl, to the amongst such members in the proportions aforesaid; or

iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub- clause (ii).

3) A share premium account and a capital redemption reserve fund may, for the purpose of this regulation only, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

4) The Board shall give effect to the resolutions passed by the Company in pursuance of this regulation.

Powers of Directors for declaration of bonus

160. 1) Whenever such a resolution as aforesaid shall have been passed the Board shall:

a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any, and

b) generally do all acts and things required to give effect thereto.

2) The Board shall have full power:

a) To make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fraction; and also

b) To authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the shares.

3) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

Books of account to be kept

161. 1) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

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

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

162. The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

Where books of Accounts to be kept

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

Inspection by members

164. A copy of every Balance Sheet including the Profit and Loss A/C, the Auditors' Report and every other documents required by law to be annexed or attached, as the case may be, to the Balance Sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the company during working hours for a period of twenty one days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid, as the Company may deem fit, shall be sent to every Member of the company and to every Trustee for the holders of any debentures issued by the Company, not less than twenty one days before the date of the meeting.

Statements of accounts to be furnished to General Meeting

165. 1) Subject to the provisions of Section 211 of the Act every Balance Sheet and Profit and Loss Account of the Company share be in the forms set out in Parts I and II respectively of Schedule VI of the Act, and in consonance with the mandatory accounting standards prescribed or as near thereto as the circumstances admit.

Form of balance sheet and P & L A/c.

2) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 212 and other applicable provisions of the Act.

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

Authentication of Balance Sheet & P & L A/c.

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

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

P & L A/c to be annexed & Auditor's Report to be attached to the B/s.

167. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's Report shall be attached thereto.

Board's Report to be attached to B/s.

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

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

3) The Board's Report shall also include statements as required U/S 217 of the Companies Act, 1956.

4) The Board shall also give the fullest information and explanations in its report in cases falling under the provision to Section 222 in an addendum to the report, on every reservation, qualification or adverse remarks contained in the Auditor's Report.

5) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and Profit and Loss Account of the Company by virtue of Sub-clauses (1) and (2) of Article 166.

6) The Board shall have the right to charge any person being a Director with the duty of seeing that the provisions of sub-clauses (1) to (3) of this Article are complied with.

Right of members to copies of Balance Sheet Auditors Report

169. The Company shall comply with the requirements of Section 219 of the Act.

ANNUAL RETURNS

Annual Returns

170. The Company shall make the requisite Annual Returns in accordance with Sections 159 and 162 of the Act.

AUDIT

Accounts to be Audited

171. Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed.

172. 1) The first Auditor of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the auditor or auditors so appointed shall hold office until the conclusion of the first annual general meeting.

Provided that:

a) The Company may, at a General Meeting, remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any member of

the Company and of whose nomination special notice has been given to the members of the Company not less than seven days before the date of the meeting; and

b) If the Board fails to exercise its powers under this clause, the Company in General Meeting may appoint the first auditor or auditors.

2) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold Office from the conclusion of that meeting until the conclusion of next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days. Provided that before the appointment or re-appointment of Auditor or Auditors is made by the Company at any General Meeting a written certificate shall be obtained by the Company from the Auditor or Auditors proposed to be so appointed to the effect that the appointment or appointments if made will be in accordance with the limits specified in sub-section 1-B of Section 224. Every Auditor so appointed shall within 30 days of the receipt from the Company of the intimation of his appointment shall inform the Registrar of Companies in writing that he has accepted or refused to accept the appointment.

3) Subject to the provisions of Section 224 1-B and Section 224-A at any Annual General Meeting, a retiring Auditor, by whatsoever authority appointed, shall be reappointed unless

a) he is not qualified for re-appointment;

b) he has given the Company notice in writing of his unwillingness to be re-appointed;

c) A resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed, or

d) Where notice has been given of an intended resolution to appoint some person in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all these persons, as the case may be, the resolution cannot be proceeded with.

4) Where at an Annual General Meeting, no Auditors so appointed, the Central Government may appoint a person to fill the vacancy.

5) The Company shall within seven days of the Central Government's power under sub-clause (4) becoming exercisable, give notice of that fact to the Govt.

6) The Directors may fill any casual vacancy in the office an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors (if any) may act, where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member of the Company not lessthan fourteen days, before the meeting in accordance with Section 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the member In accordance with the provisions of Section 190 and all the other provisions of Sections 225 shall apply in the matter. The provisions of this

sub-clause shall also apply to resolution that retiring auditor shall not be re-appointed.

8) The person qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

9) None of the person mentioned in Section 226 of the Act as are not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

10) The Company or its Board of Directors shall not appoint or re-appoint any person or firm as its Auditors if such person or firm is at the date of such appointment or re-appointment or holds appoint as Auditor of the specified number of companies or more than the specified number of Companies, provided that in the case the firm of auditors specified number of Companies shall be construed as specified number of Companies per partner of the firm, provided further that where any partner of the firm is also a partner of any other firm of auditors the number of companies which may be taken into account by all the firms together in relation to such partner shall not exceed the specified number in the aggregate. Provided also that where any partner of a firm of auditors is also holding office in his individual capacity as auditor of one or more companies the number of companies which may be taken into account in his case shall not exceed the specified number in the aggregate. Specified number means in the case of a person or firm holding appointment as auditor of a number of Companies each of which has a paid up share capital of less than Rs.25 lakhs 20 companies and in any other case 20 companies out of which not more than ten shall be companies each of which has a paid up share capital of Rs. 25 lakhs or more.

Audit of Branch Office

173. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of Branch Office of the Company.

Remuneration of Auditors

174. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill any casual vacancy may be fixed by the Board.

175. 1) Every Auditor of the Company shall have a right to access at the times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company shall inform and explanations as may be necessary for the performance of his duties as Auditor.

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

3) The Auditor shall be make a report to the members of the Company on the accounts examined by him on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account which are laid before the Company in General Meeting during his tenure of office, and the Report shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view:

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

ii) in the case of the Profit and Loss Account, of the Profit or Loss for its financial year.

4) The Auditor's Report shall also state:

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

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

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

d) Whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report is in agreement with Books of Account and returns.

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

6. The accounts of the Company shall not be deemed as not having been, properly drawn up on the ground merely that the Company has not disclosed certain matters if

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

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

7. The Auditor's Report shall be read before the Company in Annual General Meeting and shall be open to inspection by member of the Company.

176. Every account of the Company when audited and approved by 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 shall henceforth be conclusive.

Accounts when audited and approved to be conclusive except as to errors discovered within 3 months.

SERVICE OF DOCUMENT & NOTICE

177. A document may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by post under a certificate of posting or by registered post, or by leaving it at the Registered Office.

Service of documents on the Co.

178. 1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process order, judgement or any other documents in relation to or in the winding up of the Company)

How documents is to be served on members

may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address or if he has no registered address in India, to the address, if any within India supplied by him to the Company for the giving of notices to him.

2) All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and notice so given shall be sufficient notice to all the holders of such share.

3) Where a document is sent by post:

   a) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so service of the documents shall not be effected unless it is sent in the matter intimated by the member; and

   b) Unless the contrary is proved, such service shall be deemed to have been affected;

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

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

Members to notify address in India

179. Each registered holder of shares shall from time to time notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed his place of residence.

Service on members having no Regd. address

180. If a member has not registered address in India, and has not supplied to the Company any address within India, for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of Registered office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

Service on persons acquiring shares on death or insolvency of members

181. A document may be served by the Company on the persons entitled to a share in the 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 or representatives of the deceased or assignees of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occured.

Persons entitled to notice of General Meeting.

182. Subject to the provisions of the Act and these Articles, Notice of General Meeting shall be given:

   i) To the members of the Company as provided by the Articles in any manner authorised by Articles 179 and 181 as the case may be or as authorised by the Act;

   ii) To the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 181 or as authorised by the Act;

iii) To the Auditor or Auditors for the time being of the Company, in the manner authorised by Articles 179 as in the case of any member or members of the Company.

183. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated. — Notice by advertisement

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

185. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Director may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

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

187. Subject to the provisions of the Act as to preferential payments, the assets of the Company shall on its winding up, by applied in satisfaction of its liabilities pari passu and subject to such application shall be distributed among the members according to their rights and interest in the Company. — Application of Assets

188. If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company, and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit, in case any shares to be divided as aforesaid involve a liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly. — Division of Assets of the Company in winding up

INDEMNITY AND RESPONSIBILITY

189. a) Subject to the provisions of Section 201 of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability, and it shall be the duty of Directors out of the funds of the Company to pay, all costs and losses and expenses (including travelling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Directors, Officer or Employee or in any way in the discharge of his duties. — Director's and others right to indemnity

b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour on in which he is acquitted or discharged in connection with any application under

Section 633 of the Act in which relief is given to him by the Court.

lot responsible for acts f others

190. 1) Subject to the provisions of Section 201 of the Act no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act of confirmity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of theDirectors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person,Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own wilful act or default.

2) Without prejudice to the generality of foregoing it is hereby expresslydeclared that any filing fee payable or any document required to be filed with the Registrar of Companies in respect of any act done or required to be done any director or other officer by reason of this holding the said Office, shall be paid and borne by the Company.

SECRECY CLAUSE

Secrecy

191. No member shall be entitled to inspect the Company's works without the permission of the Directors or Managing Director or to require discovered of or any information rerspecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of Directors it will be inexpedient in the interests of the Company to communicate to the public.

Duties of Officers to observe

192. Every Director, Managing Director, Manager, Secretary, Auditor Trustee, Members of a to 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, or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or any meeting or by a Court of 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 these Articles or Law.

S.No.	Name, Address Description of the Subscribers with their Signature	Signature, name, address, description & occupation of witness
1.	**RAO RAJAGOPAL RAO** **S/o Rao Chinna Rao** **1-11-217, Begumpet,** **Hyderabad- 16.** **Business**	
2.	**JUPALLI SATYANARAYANA RAO** **S/o Seetha Rama Rao** **45-B, Ashoknagar, Eluru,** **W.G. Dist.** **Business**	M.V.S. RAMANA S/o M. Ramakrishna 110, Sagar Apartments, Domalguda, Hyderabad - 500 029. Chartered Accountant
3.	JUPALLI SEETHA RAMA RAO **S/o Satyanarayana Rao** **45-B, Ashoknagar,** **Eluru, W.G. Dist.** **Business**	
4.	K.V. SUBBA RAO **S/o Krishna,** **88-B, Ashoknagar,** **Eluru, W.G. Dist.** **Business**	
5.	**KOTAGIRI KODANDA RAMA SWAMY** **S/o K.V.R.G. Venkata Rao** **H.No. 2-27-15, Gokula Street** **Srinagar, Kakinada, E.G. Dist.** **Agriculture**	

Place : Hyderabad

Date : 3-12-1991

E-45

S.No.	Name, Address Description of the Subscribers with their Signature	Signature, name, address, description & occupation of witness
6.	Smt. RAO RATNASUDHA W/o. Rao Raja Gopal Rao 1-11-217/2, Begumpet, Hyderabad - 16. Housewife	M.V.S. RAMANA S/o M. Ramakrishna 110, Sagar Apartments, Domalguda, Hyderabad - 500 029. Chartered Accountant
7.	CHITTINANI VENKATA RAJESH BHALE RAO S/o. R.K.P.B. Rao 32-29-6, Quary Street Maruthinagar, Vijayawada - 520 004. Agriculture	
8	RAO RAGHUNANDHANA RAO S/o Rao Chinna Rao H.No. 1-11-217/2, Begumpet Hyderabad - 500 016. Service	
9.	A.V. SUBBA RAO S/o Kameswara Rao C/o. Ramachandra Rao 3-6-369/A/11, 1st Floor Street No. 1, Himayathnagar, Hyderabad - 500 029. Service	
10.	Ch. V. LAXMI PARASAD RAO S/o V. Pandu Raja Prasad Rao 3-6-551/1, Street No. 7 Himayatnagar, Hyderabad-29. Business	For HINDUSTAN SOFTEL LTD. Managing Director

Place : Hyderabad

Date : 3-12-1991