

UNDER COMPANIES ACT, 1956
(1 OF 1956)
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
REGENCY CERAMICS LIMITED

- I. The name of the Company is "**REGENCY CERAMICS LIMITED**".
- II. The Registered Office of the Company will be situated in the State of Andhra Pradesh.
- III. The objects for which the Company is established are:
 - (A) **THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
 1. To carry on the business as manufacturers, processors, assemblers, dealers, importers, exporters, designers, developers, producers, distributors, sellers, in all kinds of Porcelain, Ceramic Tiles, Wall panels, Floor Tiles and other porcelain and allied products, acid resistant and fire resistant refractories, bricks and tiles and their by-products and their main and derivative industries including extraction and processing of raw materials required therefore and the manufacture of machines and complete range of equipment for the Ceramic and allied industries, glazes.
 2. To manufacture porcelain, chinaware, glassware, articles of industrial and domestic application, to act as contractors, engineers, erectors, fabricators, consultants in supplying, installing and laying the Company's products.

3. To explore, extract, smelt, refine, put to use any mineral product through electro-metallurgical, electro-chemical and chemical-engineering processes and manufactures and deal in silicon carbide, silico-manganes, calcium carbide.
4. To act as stockists, distributors, agents and brokers for sellers, buyers, exporters, importers, manufactures, merchants, tradesmen and others and generally to undertake and carryout agency work of any kind whatsoever relating to the above business.
5. To carry on the business of exporters and importers of merchandise, machinery, equipment, articles, raw materials, semi-finished and/or finished products, manufactured otherwise, produce of all kinds, to and/or from any country and to transport, carry and convey the same from one part of the country to another thereof and to act as manufacturers, distributors, representatives, producers, commission agents and merchants.
6. To set up, establish, carry on business, import, export, purchase, sell, deal in, store, preserve, process, prepare, cultivate, manufacture, refine, finish, ornate, pack, repack, and market any produce whether for export or local market including all types of aqua and marine products including deep sea fishing like lobsters, fishes, crabs, eels, oysters, shrimps, prawns, cultivation of pearls, timber products like teak, sandal wood, rose wood, horticultural plants and products, farm products like honey, silk, oil seeds, perfumes, incenses, tea leaves, food grains, coffee seeds, pulses, food products, spices, pickles, jams, condiments, beverages, other processed foods, poultry products, meat, pork, beef, game meats, handicrafts, art objects, curios, antiques, paintings, carpets, furniture, woolens, leather products, skin products, footwear, fur products textiles, silks, garments, ornaments, cosmetics, drugs, pesticides, insecticides, fertilisers and allied products.
7. To carry on the business as Manufacturer, Traders, Sellers, Buyers, Importers, Exporters, Retailers, Wholesalers, Commission Agents of Liquefied Petroleum Gas (LPG), LP Gas stoves, Cylinders and their bottling and refilling for domestic uses as well as Industrial and Commercial uses, and to carry on business of manufacturing and marketing of (LP) Gas, based fabricating units, plants, installation design, equipment, and machinery".

(B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE:

1. To search for ores, minerals, mines, quarries and grant licenses for mining or offer any land or place which may be acquired by the Company and to lend any such land or place for agriculture, building or other use, to sell or otherwise dispose off any lands, mines, or other property of the Company.
2. To act as agents, brokers, stockiest, commission agents, manufactures, representatives or agents, selling and purchasing agents, distributors for sellers, buyers, exporters, importers, manufacturers, merchants, tradesmen, insurers and others and generally to undertake and carryout agency work of any kind whatsoever and transact all kinds of agency and commission business.
3. To acquire and undertake the whole or any part of the business which the company is authorised to carry on or possessed of property suitable for the purpose of this company.

4. To enter into partnership of any other arrangement for sharing profits, union of interest, co-operation, joint adventure or reciprocal concession, with any person or company carrying on or engaged in, or about to carrying on or engage in any business or transaction which this company is authorised to carry on or engaged in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this company. And to lend money to guarantee the contracts of, or otherwise assist any such person or Company, and to take or otherwise acquire shares and securities of any such Company and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.
5. To promote any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this company.
6. Generally to purchase, take on lease or in exchange, hire or otherwise acquire, any movable or immovable property, and any rights or privileges which the company may think necessary or convenient for the purposes of its business and in particular any lands, buildings, easements, machinery, plant and stock-in-trade, either of indigenous origin or imported.
7. To construct, maintain or alter any buildings, factories, warehouses, godowns, shops or other structures or works necessary, convenient or expedient for the purposes of the Company.
8. To purchase plant, engines, machinery, tools and implements from time to time and to undertake the selling or disposing of the same.
9. To purchase and sell in India or elsewhere any materials of any description on commission or otherwise and to undertake or execute any works on commission or by contract or otherwise.
10. To employ or otherwise acquire technical experts, engineers, mechanics, foremen, and skilled and unskilled labour for any of the purpose or business of the Company.
11. To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or part of the property and rights of the Company.
12. To apply for, purchase or otherwise acquire any patents, brevets d' invention, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired.
13. To enter into arrangements with any Government authorities, Supreme, Municipal, Local or otherwise, that may seem conducive to the Company's objects, or any rights, privileges and concessions which the Company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
14. Generally to carry on the business as financiers and guarantors and to undertake and to carry out all such operations and transactions (except banking business within the meaning of the Banking Regulation Act, 1949) as an individual capitalist may lawfully undertake and carry on.

15. To apply for tender purchase or otherwise acquire contracts, sub-contracts, licenses and concessions for all or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same and to sublet all or any contracts from time to time and upon such terms and conditions as may be thought expedient.
16. To pay any business, property or rights acquired or agreed to be acquired by this Company and generally to satisfy any obligations of this company, by the issue of transfer of shares of this company, or any other company, credited as fully or partly paid-up, or of debentures or other securities of this or any other securities of this or any other Company.
17. To accept payment for any property or rights sold or otherwise disposed of or dealt with by this Company, in either case, by installments or otherwise, or in shares of any company with or without preferred rights in respect of dividends or payment of Capital or otherwise or in debentures or debenture-stocks or other securities of any company or Corporation, or by mortgage, or partly in one mode and partly in another, and generally on such terms as the company may determine, and to hold, deal with or dispose of any consideration so received.
18. To pay, satisfy or compromise any claims made against the Company which it may seem expedient to pay, satisfy or compromise notwithstanding that the same may not be valid in law.
19. To receive money on deposit, with or without allowance of interest subject to Section 58A of the Companies Act, 1956 and the directives issued by the Reserve Bank of India, as may be applicable, to advance and lend moneys upon such securities or without securities therefore as may be thought proper and to invest such of the Company's money not immediately required, in such manner as may from time to time be determined by the Directors of the Company.
20. To borrow and secure the payment of money in such manner and on such terms as the Directors may deem expedient and to mortgage or charge the undertaking and all or any part of the property and rights of the Company, present or future including uncalled capital.
21. To open an account or accounts with any person or company, or with any bank or bankers or shroffs and to pay into and withdraw moneys from such account or accounts whether they be in credit or otherwise.
22. Subject to the Banking Regulation Act, 1949 to draw, make, accept, endorse, discount, execute and to issue, negotiate, assign, buy and sell or otherwise deal in cheque, drafts, promissory notes, bills of exchange, hundies, debentures, bonds, bills of lading, railway receipts, warrants and coupons and all other negotiable and transferable securities, instruments and documents.
23. To remunerate any person or company for service rendered in placing or assigning to place or guaranteeing the placing of any of the shares in the Company's Capital or any debentures, debenture-stock or other securities of the Company, or in or about the formation or promotion of the Company, or the conduct of its business.
24. To about such means for making known the business and/or products of this company or any company in which this company is interested as its agent, representative or in any other way, by advertisement in papers, periodicals, magazines, through cine slides, and films, by issue of circulars, posters, calendars showcards, playing cards, hoardings, by radio programmes, exhibiting by publication of books, periodicals and by granting prizes, rewards and donations.

25. To establish and support funds and institutions calculated to benefit employees or ex-employees of the company or its predecessors-in business or the dependents or connections of such persons, and to grant pensions, and allowances, and to subscribe or guarantee money for charitable objects.
26. To provide for the welfare of the Directors, Officers, Employees and Ex-directors, Ex-officers and Ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by creating and from time to time subscribing or contributing to Provident Fund or other associations, institutions, funds or trusts, and by providing or subscribing or contributing towards places of instruction and recreation, hospital and dispensaries, medicals and other attendance and other assistance as the Company shall think fit and to subscribe or contribute to assist or to guarantee money to charitable benevolent, religious, scientific national public or other institutions and objects which shall have any moral or other claim to support paid by the Company either by reason of locality or operation or of public and general utility or otherwise.
27. To undertake, carry out, promote and sponsor rural development including, any programmes for promoting the social and economic welfare of, or the uplift of the people in any rural area and to incur any expenditure or any program of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner, without prejudice to the generality, of the foregoing. "Programme of Rural Development" shall also include any programme for promoting the social and economic welfare of, or the uplift of the people in any rural development, and that the words "rural area" shall include such areas as may be regarded as rural areas under the Income Tax Act, 1961, or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and the Directors any at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divert the ownership of any property of the Company to or in favour of any Public or local body or Authority or Central or State Government or any public institution or Trust or Fund as the Directors may approve.
28. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of the national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the people or any section of the people and in such manner and by such means as the Directors may be think fit. Further, the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers, or for organizing lectures or seminars likely to advance these objects or for giving merit awards, scholarships, loans or any other assistance to deserving students or other scholars or persons to establishing, conducting, or assisting any institutions, fund, trust having any one of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner the Directors may at their discretion in order to implement any of the above mentioned objects, or purposes transfer without consideration or at such fair or concessional value as they may think fit and divert the ownership of any property of the Company to or in favour of any Public or Local Body Authority or Central or State Government or any Public institution or Trust or Fund as the Directors may approve.
29. To train or pay for the training in India or abroad of any of the Company's employees or any other candidates in the interests and for the furtherance of the Company's objects and business.

30. To create any depreciation fund, reserve fund, or any other special fund whether for repairing, improving, extending or maintaining any of the property of the Company for any other purpose conducive to the interests of the Company.
31. To procure the registration or other recognitions of this Company in any country, state or place and to establish and regulate agencies for the purpose of the Company's business.
32. To amalgamate with any other Company having objects altogether or in part similar to those of this Company.
33. To sell or dispose of the undertakings of the Company or any part thereof for such considerations as the Company may think fit, and in particular for shares, debentures, or securities of any other Company having objects altogether or in part similar to those of this Company.
34. After discharge of all the liabilities of the Company, the liquidator may distribute any of the property of the Company amongst members in specie or in kind and in particular by the distribution of Paid-up shares or debentures, debenture-stock of the Company or any other Company for bonus or any other payment declared or due but so that no distribution amounting to a reduction of capital shall be made except with the sanction (if any) for the time being required by law.
35. Subject to the provisions of the Act, to place, to reserve or to distribute dividends or bonus among the members or otherwise to apply, the Company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company and money arising from the sale by the Company of forfeited shares.
36. To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors, or otherwise, and either along or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.

(C) OTHER OBJECTS:

1. To undertake and execute any contracts for works involving supply or use of any machinery and to carry out any auxiliary or other works comprised in such works.
2. To establish and maintain transport services and transport facilities.
3. To carry on all or any of the business of general carriers, railways and forwarding agents and warehouse men.
4. To establish, maintain and carry on business in Travel Agency, to cater to the various legitimate needs of the travelers by land, air and sea.

IV. The liability of the members of the Company is limited.

- V. * The Authorised Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores Only) equity shares of Rs.10/- (Rupees Ten Only) each with the rights and privileges and conditions attached thereto as are provided by the Regulations of the Company for the time being with power to increase or reduce the Capital of the Company and divide the shares.

* Inserted vide special resolution passed by the shareholders at their meeting held on 25.09.2009.

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

Sl No.	Name, address, description and Occupation of subscribers and signature	No. of Equity Shares taken by each subscriber	Name address, description, occupation and signature of witness
01.	Sd/- GUDARU NARAIHA NAIDU S/o. G.P.Venkataiah Naidu 5-8-356, Chirag Ali Lane Hyderabad - 500 001 Consulting Architect & Engineer	5 (Five)	Sd/- D.MADHUSUDANA RAO S/o. Balarama Krishnaiah 6-3-661/10, Somajiguda Hyderabad - 500 004 Chartered Accountant
02.	Sd/- VENGALA RANGA REDDY S/o. Vengala Venkat Reddy H.No.5-9/1/8, Adarshnagar Hyderabad - 500 483 Civil Engineer	5 (Five)	
03.	Sd/- KOMMINENI SESHAGIRI RAO S/o. K.Subba Rao 74/3Rt, Sanjeevareddy Nagar Hyderabad - 500 038	5 (Five)	
04.	Sd/- C.NARSIMHA REDDY S/o. C.Narayan Reddy 16-147/64/4, Malakpet Hyderabad Senior Architect - N.N.Associates	1 (One)	
05.	Sd/- NELLY PALLY SAMYOGEETA 13/L, Srivilas Padmarao Nagar, Secunderabad Secretary to M.D., N.N.Associates	1 (One)	
06.	Sd/- MISS WENDY WILSON D/o. Paul Wilson 1-7-151/1, Mettuguda Secunderabad Receptionist	1 (One)	
07.	Sd/- DOLARRAY G.PANCHAL S/o. Gorbhdhanbhai V.Panchal 5-4-58, Mahakali Street Secunderabad - 500 003 Senior Structural Engineer	1 (One)	
	Total No. of Shares taken	19 (Nineteen)	

UNDER THE COMPANIES ACT, 1956

(1 OF 1956)

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

REGENCY CERAMICS LIMITED

I. GENERAL

1. Regulations contained in Table 'A' in the First Schedule to the Companies Act, 1956 shall apply so far and so far only as they are not inconsistent with any of the Provisions contained in these Regulations.
2. In these Regulations:

Unless the context otherwise requires:
 - a) The words or expressions contained in these Regulations shall bear the same meaning as in the Companies Act or any Statutory modifications thereof.
 - b) "The Act" means "The Companies Act, 1956" or any Statutory modifications or re-enactment thereof for the time being in force.
 - c) "The Company" or "This Company" means **REGENCY CERAMICS LIMITED**.
 - d) "The Seal" means the Common Seal of the Company.

- e) "In Writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.
- f) "Member" means a person who agrees in writing to become a member of the Company and whose name is entered in the Register of Members.
- g) "Month" means a Calendar month.
- h) "Year" means the Calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.
- i) "Office" means the Registered Office for the time being of the Company.
- j) "Paid-up" includes corporations and individuals.
- k) "Person" includes corporations and individuals.
- l) "The Register" means the Register of Companies having jurisdiction over the Company.
- m) "Secretary" includes as Assistant Secretary and any person or persons appointed by the Board to perform any of the duties of a Secretary subject to Section 383A of the Act.
- n) Words imparting the "Singular number" include, where the context admits or requires, the plural number and vice-versa.
- o) Words imparting the "masculine gender" also include, Feminine gender and vice-versa.

II. SHARE CAPITAL

3. (a) * The Authorised Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crores Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.
- (b) The Company shall have power to issue Preference Shares including redeemable Preference Shares in accordance with the provisions of Section 80 and 85 or any Statutory modifications thereof.
- (c) Where at any time subsequent to the first allotment of shares it is proposed to increase the subscribed capital by the issue of new shares, subject to any directions to the contrary which may be given by the Company in General Meeting and subject only to these directions such new shares shall be issued in accordance with the provisions of Section 81 of the Act, or any Statutory modifications thereof.
- (d) The Company shall have power to issue shares at a discount, but in doing so, the Company shall comply with the provisions of Section 79 or any Statutory modifications thereof.
- (e) The Company shall have power to issue shares at a premium, but in doing so, the Company shall comply with the provisions of Section 78 or any Statutory modifications thereof.

* Inserted vide special resolution passed by the shareholders at their meeting held on 25.09.2009.

4. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of them to such person on such terms, conditions and at such times as the Board think fit and with full power to give any person the option to call for or be allotted shares of any class of the Company (Subject to Sections 42, 69, 70, 71, 72, 73, 75, 76(2), 78 and 79 of the Act or any Statutory modifications thereof) either at a premium or at par or at discount and such option or right to call of shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.

Subject to the provisions of the Act and these Articles the Directors may allot and issue shares in the Capital of the Company as payment for any property or assets of any kind whatsoever (including goodwill of any business) sold or transferred, goods or machinery or about the formation or promotion of the Company or the conduct of its business and any share which may be so allotted may be issued as fully paid up or otherwise than in cash, and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall causes returns to be filed of any such allotment as provided, by Section 75 of the Act.

5. (a) The Directors shall in making the allotments duly observe the provisions of the Act.
- (b) The amount payable on application on each shares shall not be less than 5 per cent of the nominal amount of the share.
- (c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

III. ALTERATION OF SHARE CAPITAL

6. 1) The Company shall have power to alter the conditions of the Memorandum as follows, that is to say, it may:
 - (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) Sub-divide its shares or any of them into shares of smaller amount than is fixed by memorandum so however, that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.
 - 2) The powers conferred by this regulation shall be exercised by the Company in General Meeting.
7. The Company shall have power to reduce any share premium account in accordance with the provisions of Section 78 read with Section 100 or any Statutory modifications thereof.

IV. PAYMENT OF COMMISSION AND BROKERAGE

8. (a) The Company may exercise the powers of paying commission provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by Section 76 or any Statutory modifications thereof.

- (b) The rate of commission shall not exceed the maximum percentage provided for in Section 76 or any Statutory modifications thereof.
- (c) The commission may be satisfied by payment of cash or the allotment of fully or partly paid up shares or partly in the one way and partly in the other.
- (d) The Company may also on any issue of shares, pay such brokerage as may be lawful.

V. VARIATION OF SHAREHOLDERS RIGHTS

- 9. (a) If at any time share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the share of that class) may subject to the provisions of Section 106 and 107 and whether or not the Company is being wound up be varied with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class.
- (b) Subject to the provisions of Section 170(2) and (b) or any Statutory modifications thereof, to every such separate General Meeting the provision of these Resolutions relating of General Meeting shall mutatis mutandis apply. But so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question.
- (c) The rights conferred upon the holders of the shares of any class issued with preference or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of future shares ranking pari-passu therewith.

VI. TRUSTS ENTRY IN REGISTER OF MEMBERS

- 10. Subject to Section 49 of the Act and without prejudice to the provisions of Section 42(2)(b) or any Statutory modifications thereof, no person shall be recognised by the Company as holding any share upon any trust and the company shall not be bound by or be compelled in any equitable contingent, future or partial interest in any share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holders.

VII. CERTIFICATES

- 11. (a) Every member shall be entitled to a certificate under the Common Seal of the Company signed by two Directors and the Secretary or any other person named for the purpose by the Board, specifying the number or number of shares held by him, and the amount paid thereon.
- (b) Every member in the first instance shall be entitled to one or more certificates as issued by the Company for all the shares registered in his name, and every certificate of shares shall specify the number or number of shares in respect of which it is issued, and the amount paid up thereon or credited thereto.
- (c) If any certificate be worn out, defaced, destroyed or lost, a new one new ones may be issued in lieu thereof, on production to the Directors of evidence satisfactory to them of its being worn out, defaced, destroyed, or lost, or in default of such evidence on such indemnity being given as the Directors may think sufficient.

- (d) A fee of Rs.1/- shall be charged in respect of every new certificate besides the out of pocket expenses incurred by the Company, in investigating evidence or indemnity required by the Directors of the Company.

"Provided that the Company shall not charge any fees for sub-division or consolidation of shares and debenture certificates or for sub-division of letter of allotment or for splitting, consolidation, or renewal of pucca transfer receipts into denominations, corresponding to market units of trading or for issue of new certificates in replacement of these which are old or worn out or where cages on the reverse for recording of transfers have been fully utilised."

- (e) In respect of any share or shares held jointly by several persons, the delivery of certificate for share to one of the several joint shareholders shall be sufficient delivery to all such shareholders.

The Company shall within 2 months after the allotments of any of its share or debentures and within 1 month after the application for the Registration of Transfer of any shares of debentures, complete and have ready for delivery Certificate of all shares and debentures allotted or transferred unless the condition of issue of shares or debentures otherwise provide and the Company shall otherwise comply with the requirements of Section 113 other applicable provisions (if any) of the Act.

VIII. CALLS ON SHARES

12. a) i) The Board may, from time to time, may call upon the members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call.

- ii) Each member shall subject to receiving at least fourteen days notice specifying the time and place of payment pay to the company at the time or times and place so specified the amount called on his shares.
- iii) A call may be revoked or postponed at the discretion of the Board.
- iv) Provided that any amount be paid in advance of calls on any shares such amount may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.
- b) A call shall be deemed to have been at the time when the resolution of the Board authorising the call was passed and may be required to be paid by the installments.
- c) The joint-holders of a share be jointly and severally liable to pay all calls in respect thereof.
- d) i) If a sum called in respect of a share is not paid before or on the day appointed for payment of thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof the time of actual payment at 18% per annum or at such lower rate as the Board may determine.
- ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

- e) i) Any sum which by the terms of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium shall for the purpose of these resolutions be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses forfeiture of otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

IX. LIEN

13. The Company shall have first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (Whether solely or jointly with others) and upon the proceeds of the sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and no equitable interest in any shares shall be created except upon the footing and condition that Article 10 hereof shall have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares, unless otherwise agreed registration of transfer of shares shall operate as waiver of the Company's lien if any, on such share. The Directors may at any time declare any shares wholly or in part exempt from the provisions of the clause.

X.FORFEITURE OF SHARES

14. a) If any member fails to pay any call or installment of a call on the day appointed for payment thereof the Board may at any time thereafter during such times as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installments as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- b) The notice aforesaid shall:
- i) name a further day (not earlier than the expiry of fourteen days from the date notice) on or before which the payment required by the notice is to be made and
 - ii) state that in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.
- c) If the requirement of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time, there after before the payment required by the notice has been made be forfeited by a resolution of the Board to the effect.
- d) i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- ii) At any time before a sale or disposal as aforesaid, the Board, may annual the forfeiture on such terms it thinks fit.
- e) A person whose shares have been forfeited shall cease to be member.
- f) i) a duly verified declaration in writing that the declarant is a Director the Manager of the Secretary 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 facts therein stated as against all persons claiming to be entitled to the share.

- ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.
- iii) The transferee shall there upon be registered as the holder of the shares.
- iv) The transferee shall not be bound to see the application of the purchase money, if any nor shall his title by the shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.
- g) 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 become payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.
- h) The forfeiture of share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights of incidental to the share, except only such of those rights as by these Articles are expressly saved.

XI. TRANSFER AND TRANSMISSION OF SHARES

- 15. In registering Transfer and Transmission of Shares, the Company shall comply with the provisions of Sections 108, 110, 112, and 250 of the Act or any Statutory modifications thereof.
- 16. a) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transfer any transferee. The transfer or shall be deemed to remain a holder of the share until the name of the transferee is entered in Register of Members in respect thereof.
- b) The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956, and of any statutory modification thereof for the time being shall be duly complied with in respect of all the transfer of shares and registration thereof.
- c) The Board may, subject to the right of appeal conferred by Section III of the Act, decline to register :
 - i) The transfer of share not being fully paid share, to a person of whom they do not approve or,
 - ii) Any transfer of shares on which the Company has a lien.

Provided that the Company will not decline to register or acknowledge any transfer of shares on the ground that transfer or being either alone or jointly with any other person indebted to the Company on any account whatsoever except a lien on shares.

- d) The Board may also decline to recognise any instrument of transfer unless :
 - i) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as Board may reasonably require to show the right of the transferor to make the transfer and
 - ii) The instrument of transfer in respect of only one class of shares.

- e) The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.

Provided that such registration shall not be suspended for more than forty five days in any year and provisions of section 154 of the Act shall be complied with.

- f) The Company shall not charge any fees for the Registration of any probates, letters of Administration Certificates of death and marriage. Power of Attorney and such other similar documents.
17. a) i) On the death of a member, the survivors or survivor, where the member was a joint holder and his legal representatives where he was shareholder shall be the only person recognized by the company as having any title to his interest in the share.
- ii) Nothing Clause (l) shall release of the estate of the deceased joint holder from any liability in respect of any share which has been jointly held by him or other persons.
- b) 1) Any person becoming entitled to as share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time property be required by the Board and subject as hereinafter provided, elect, either:-
- i) To be registered him self as holder of the share, or
 - ii) To make such transfer of the share as the deceased or insolvent member could have made.
- 2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent members has transferred the shares before his death or insolvency.
- c) 1) If the person so becoming entitled, shall elect, to be registered as holder of the share him self, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- 2) If the persons aforesaid shall elect to transfer the share he shall testify his election by executing a transfer of the share.
- 3) All limitations, restrictions and provisions of these regulations relating to the right 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 occurred and the notice or transfer were a transfer signed by that member.
- d) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not before being registered as a member 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 to be registered himself or to transfer the share and if the notice is not complied within ninety days the Board may thereafter with-hold payment of all dividends, bonuses or other moneys, payable in respect of the share until the requirements of the notice have been complied with.

17* A. Nomination

A holder or joint holder(s) of shares in or debentures (including the Fixed deposit holder under Section 58A of the Companies Act,1956), of the company may nominate, a person in the prescribed manner to whom the shares and/or the interest of the member in the capital of the company or debentures of the company shall vest in the event of the holder(s) death. Such member may revoke or vary his/her nomination, at any time, by notifying the same to the company to that effect. Such nomination shall be governed by the provisions of Section 109A and Section 109B of the Act or such other regulations governing the matter from time to time."

17* B : Dematerialisation of Securities

Definitions (1)

"Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1956;

"Depositories Act" shall mean the Depositories Act, 1996 or any statutory modification(s) or re-enactment thereof;

"SEBI" means the Securities Exchange Board of India;

"Depository" means a company formed and registered under the Companies Act,1956, and which has been granted a certificate of registration to act as a depository under the SEBI Act, 1992; and

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

Dematerialisation of Securities (2)

Notwithstanding anything contained in the Articles, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996;

Option for Investors (3)

Every person subscribing to / acquiring 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 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 securities with a depository the company shall intimate such 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 securities.

Securities in Depositories to be in fungible form (4)

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 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 owner;

* inserted vide special resolution passed by the share holders at their meeting held on September 29, 2000.

Rights of Depositories and Beneficial owners (5)

- (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.
- (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 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 rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

Service of document (6)

Notwithstanding anything contained in the Act or the 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 by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities (7)

Nothing contained in Section 108 of the Act or 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 by a Depository (8)

Notwithstanding anything in the Act or the Articles, where a depository deals with securities, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of Securities held in a Depository (9)

Nothing contained in the Act or the Articles regarding necessity of having distinctive numbers of securities issued by the company shall apply to securities held in a depository.

Register and Index of Beneficial owners (10)

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.

XII. BORROWING POWERS

- 18. a) The Company shall have power to borrow from any person or persons and secure the payment of any sum of money for the purpose of the company and the Directors may from time to time at their discretion exercise this power and may themselves lend to the company on security or otherwise provided that the Directors shall not contravene the provisions of Section 293 (I)(d) or any statutory modifications thereof.

Provided further that no debt incurred or security given in the excess of limits imposed by Section 293 (1)(d) shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

- b) The Director may raise or secure the repayment of any sum of sums in such manner upon such terms and conditions in all respects as they may think fit and in particular by creation of any mortgage or charge on the undertaken the whole or any part of the property, present or future, or uncalled capital of the Company or by the issue of bonds perpetual or redeemable, debentures or debenture stock of the Company charged upon all or any part of the property of the Company both present and future, including its capital for the time being.
- c) Subject to the provisions of Section 58A of the Act and Companies (Acceptance of Deposit) Rules, 1975, the Directors may receive deposits for such term and bearing interest at such rates as the Directors may decide from time to time. The deposits may be received from the person or persons including the Directors and the shareholders of the company.
- d) The Directors shall cause a proper register to be kept in accordance with the provisions of Section 143 of charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act with regard to the registration of mortgages and charges. The register of charges kept in pursuance of section 143 shall be open during business hours subject of reasonable restrictions as the Company in General Meeting may impose so that not less than two hours in each day are allowed for such inspection to any creditor or member of the Company without fee and other person on payment of fees Rs.1/- for each inspection at the Registered Office of the Company.

XIII. DEBENTURES

- 19. The Company shall have power to issue debentures but in exercising this power the provisions of Section 56(8), 64, 67, 70 to 74, 108 to 113, 117 to 123, 128, 129, 133, 134, 152, 154, 170 (2)(a) and (b) 187 and 292 or any statutory modifications thereof shall be complied with. Debentures, debenture stock, bonds or other securities conferring the right to allotment or conversion into shares of the option to right to call for allotment of shares not shall be issued except with sanction of the company in General Meeting.

XIV. CONTENTS OF NOTICE

- 20. a) The Company shall comply with the provisions of Section 165 to 197 or any statutory modifications thereof in the calling and conduct of the meeting.
- b) The Company shall hold a General Meeting of the Company, which shall be called the Statutory Meeting. In the calling and conduct of statutory meetings provisions of Section 165 or any statutory modifications thereof shall be complied with.
- c) Without prejudice to the provisions of Section 167 or any statutory modifications thereof, the Company shall in addition to any other meetings, holds a General Meeting which shall be styled the Annual General Meeting at such intervals, and in accordance with the provisions of Section 166 or any statutory modifications thereof.
- d) The General Meeting other than the Annual General Meeting of the Company shall be called Extraordinary General Meeting.

- e) i) The Board may whenever it thinks fit call and Extraordinary General Meeting.
- ii) If at any time they are not within India, Directors capable of acting who are sufficient in number to form quorum any Director or any two members of the company may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.
- iii) Extraordinary General Meeting may be called by the members under the provisions of Section 169 and under conditions mentioned in Section 186 or any statutory modifications thereof.
- f) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exceptions of:-
 - i) The consideration of Accounts, Balance Sheet and the Reports of the Board of Directors and Auditors.
 - ii) The declaration of a Dividend.
 - iii) The appointment of Directors in place of those retiring and
 - iv) The appoint of fixing of the remuneration of Auditors.
- g) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, the provisions of Section 173 or any statutory modifications thereof shall be complied with.

XIV (A) NOTICES OR GENERAL MEETINGS

- 21. a) A General Meeting of the Company may be called by giving not less than twenty one days notice in writing or after giving such shorter notice as provided for in Section 171 (2) of the Act or any statutory modification thereof.
- b) Notice of every meeting of the Company shall be given:
 - i) to every member of the Company;
 - ii) to the persons entitled to a share in consequences of the death or insolvency of a member.
 - iii) to the auditor or auditors for the time being, of the Company; in the manner provided for in Section 172 of the Act or any statutory modifications thereof.
- c) Accidental omission to given notice to or the non- receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

XIV (B) CONTENTS OF NOTICE

- 22. a) Every notice of meeting of the Company shall contain the following:
 - i) It shall specify the place, date and time of the meeting.
 - ii) It shall contain a statement of the business to be transacted thereon.

- b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote, is entitled to appoint a proxy, or proxies to attend and vote instead of himself and that a proxy need not be a member.
- c) The Company shall, in the case of resolution to be moved as a special resolution, duly specify in the notice calling the General Meeting or other intimation given to the members, of the intention to propose the resolution.
- d) The Company shall in compliance with Section 190 read with Sections 225, 262, 284, 330 and 379 or any statutory modification thereof, given to its members notice of resolution requiring special notice at the same time and in the same manner as it gives notice of the meeting or if that is not practicable shall give them notice thereof either by advertisement in a newspaper having circulation, in the State in which the Registered Office is situated not less than 21 days before the meeting.
- e) Subject to the provisions of Section 225 and 284 or any statutory modifications thereof the receipt of representation, if any, made under Section 225 by a retiring auditor or under Section 284 by a Director sought to be removed from office as a Director must be situated in the notice of meeting to the members of the Company if the representations are received in time.

XIV (C) DOCUMENTS TO BE ANNEXED TO THE NOTICE

- 23. a) Where any items of business to be transacted at the meetings are deemed to be special in accordance with the provision of the Act, a statement setting out all material facts concerning each such item of business including in particular the nature and extent of the interest if any therein of every Director, and the Manager if any.,
- b) Where any item of business consists of the according of approval of any document by the meeting the time and place where the document can be inspected shall be specified in the statement mentioned above.
- c) A copy of every Balance Sheet including the Profit and Loss Account, the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet, or salient features of such documents or such other documents as may be prescribed by the provisions of section 219 of the Act or any statutory modifications thereof shall be sent to and also be available for inspection by the members of the Company and other persons, as required by the Act.
- 24. A copy of the representations, if any, made under Section 225 by a retiring author or under Section 284 by a Director sought to be removed from office shall be sent to the members of the company as provided for in Section 225 or any statutory modification thereof.
- 25. Subject to the provisions of Section 188 or any statutory modifications thereof, members resolution shall be circulated to the members of the company entitled to receive notice of the next Annual General Meeting.
- 26. The Company shall give inspection at the commencement or before the meeting the documents referred to in Sections 165(3), 196(3), 176(7) and 230 of the Act.

XIV (D) REPRESENTATION AT MEETINGS

27. a) A body corporate (whether a Company with the meeting of this Act or not) may, if it is a member of the Company, by resolution of the Board of Directors or other governing body authorise such persons as it thinks fit to act as its representative at and members of the company.
- b) The person authorised by the resolution as aforesaid shall be entitled to exercise the same right 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 a member.
28. a) Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person or persons whether a member or not, as his proxy to attend and vote instead of himself and the proxy so appointed shall have not right to speak at the meeting, provided however the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding poll.

Note:- "The form of proxy shall be a "Two Way Proxy" as given in IX Schedule of the Companies Act, 1956 enabling any Shareholder to vote for/against any resolution."

- b) The instrument appointing a proxy and the power of attorney or authority if any, under which it is signed or a notorially certified copy of that power or authority shall be deposited at the registered office of the Company not less than 48 hours before the time of 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 appointed time for the taking of the poll, and default the instrument of proxy shall not be treated as valid.
- c) An instrument appointing proxy shall not be questioned, if it is in any of the forms set out in Schedule IX of the Act.
- d) A note given in accordance with the terms of an instrument of a proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given.

Provided that no intimation in writing of such death, insanity, revocable or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting which the proxy is used.

- e) Every member entitled to vote at a meeting of the Company or any resolution to be removed at, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the period beginning twenty four hours before time fixed for the commencement of the meeting and ending with conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the company, provided not less than three days notice in writing of the intention so to inspect is given to the Company.

XIV (E) QUORUM

29. a) No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to transact business. Five members present in person shall be quorum.
- b) If within half an hour from the time appointed for holding a meeting of the Company, quorum is not present, the meeting if called upon by the requisition of members, shall stand dissolved.
- c) In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine.
- d) If at the adjourned meeting, also a quorum is not present within half an hour from the time appointed for holding the meeting, the members, present shall be quorum.

XIV (F) CHAIRMAN

30. a) The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company.
- b) If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting the Directors present shall elect one of their member to be Chairman of the meeting.
- c) If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of the members to be the Chairman of the meeting in accordance with the provisions of Section 175 or any statutory modifications thereof.
- d) i) The Chairman may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and place to place.
- ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- iii) When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting.
- iv) Same as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
- e) In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands has taken place or at which the poll is demanded, shall be entitled to a second or casting vote, provided he is a member entitled to vote at the meeting and on the resolution.
- f) Any business other than that upon, which a poll has been demanded may be proceeded with, pending the taking of the poll.

- g) Where resolution is passed at an adjourned meeting of the Company the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on earlier date.
31. a) On a show of hands every member present in person shall have one vote and on a poll the voting right of members shall be as laid down in Section 87.
 - b) Voting rights shall be exercised in accordance with the provisions of Sections 42, 87, 88, 89, 92, 117, 178, 179, 180, 182, 183, 184 and 185 or any statutory modifications thereof and regulation (c) here under read with Section 181.
 - c) In the case of joint holders, the vote of the senior who tender vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, for the purpose seniority shall be determined by the order in which the names stands in the register of members.
 - d) A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll by his custodian or other legal guardian any such custodian, or guardian may, on a poll, vote by proxy.
 - e) No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
 - f) i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not dis-allowed at such meeting shall be valid for all purpose.
 - ii) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
32. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the company by a single resolution, unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.
 33. In the election of a Director the provisions of Section 264 or any statutory modifications thereof shall be complied with.
 34. In giving notice of an intention to propose a resolution as a Special Resolution any matter the Company shall have regard to the provisions of Sections 17, 21, 25(2), 31, 99, 100, 146, 208, 224(A), 237, 309, 314, 323, 338, 352, 356, 357, 358, 360, 370, 375 and 484 or any statutory modifications thereof.
 35. After passing of the resolution at the General Meeting of the Company the company shall comply with the provisions of Section 192, 193, 196 and 197 or any statutory modifications thereof.

XV. DIRECTORS AND BOARD OF DIRECTORS

36. a) Unless otherwise determined by the Company in General Meeting the number of Directors shall not be less than 3 or more than 12 inclusive of the ex-officio Directors, nominal Directors, Technical Directors, Special Directors, Debenture Directors, Alternative Directors, Additional Directors, Corporation Directors, Co-opted Directors, Executive Directors and Administrative Directors if any.

- b) Only an individual and not a body corporate, association or firm shall be appointed as Director of the Company.
 - c) Subject to the Provisions of Sections 252, 255 and 259 or any statutory modifications thereof, the Company may in General Meeting increase or reduce the number of Directors within the limits fixed by Regulation 36(a).
 - d) At the date of adoption of these Articles the following persons are the Directors of the Company, namely
 - 1. SRI. GUDARU NARAIHA NAIDU
 - 2. SRI. KOMMINENI SESHAGIRI RAO
 - 3. SRI. PENIGALAPATI GUNDALAYYA NAIDU
 - e) The Board of Directors shall have power to appoint additional Directors provided such additional Directors shall hold office only upto the date of next Annual General Meeting of the Company and provided further that the number of Directors and additional Directors together shall not exceed maximum strength fixed for the Board by the Articles.
37. Subject to the Provisions of Section 262 or any statutory modification thereof the Board of Directors shall have power to fill up casual vacancies.
38. Subject to the Provisions of Section 313 or any statutory modifications thereof Board of Directors shall have power to appoint a person as alternative Director during the absence of Director for a period of not less than three months in the State in which meetings of the Board are ordinarily held.
39. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys owing by the Company the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Corporations of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GICC), National Insurance Company Limited (NIC), The Oriental Fire and General Insurance Company Limited (OFGI). The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation of any Financial Institutions owned or controlled by the Central Government or a State Government or Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Article referred to as the Corporation) out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold debentures/shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the company arising out of any guarantee furnished by the Corporation on behalf of any person or persons as a Director or Directors whole-time, (or) no whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s) on the Board of the Company and to remove from such office any person or persons so appointed, and to appoint any person or 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 retirement by rotation of Directors. Subject to, as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and the subject to the same obligations as any other Director or 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 or continues to hold debentures/shares in the company as a result of underwriting or by direct subscription or private placement 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 owing by the Company to the corporation are paid off or on the corporation ceasing to hold debentures/shares in the company arising 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 attend all General Meetings, Board Meetings and of the Meetings of the committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notice and minutes.

The Company shall pay to the Nominee Director 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 relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the company directly to the Corporation. Any expenses that may be incurred by the corporation of such Nominee Director/s in connection with their appointment of 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.

Provided also that in the event of the Nominee Director/s being appointed as Whole Time Directors such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director/s in the Management of affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration fees, commission and monies as may be approved by the Corporation.

40. In connection with any foreign collaboration arrangement with any company or corporation or any firm or person for financial participation and supply of technical know-how and/or machinery or technical advice, the Directors may authorise such, Company Corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time, to any one person as Director of the Company and may agree that such Director shall not be liable to retire by rotation and need not possess any qualifications shares to qualify him for the office of such Director, so however that such Directors shall hold office so long as such collaboration arrangement remains in force. The collaborator may at any time and from time to time remove any such Director and appoint another person in his stead by giving notice in writing to the Company at the Registered Office of the Company.
41. A person who is not a retiring Director shall not be appointed Director of the company unless he has by himself or by his agent authorised in writing signed and filed with the Registrar his consent in writing to act as such Director.
42. There shall be no share qualifications for appointment as Director.
43. 1) The Office of Director shall be vacated if:

- a) He fails to obtain within the time specified on sub-section (1) of Section 70, or at any time thereafter ceases to hold, the share qualification, if any, required of him by the Articles of the Company.
 - b) He is found to be unsound mind by a Court of Competent Jurisdiction.
 - c) He applied to be adjudicated as insolvent.
 - d) He is adjudged as insolvent.
 - e) He is convicted by a Court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six months.
 - f) He fails to pay call in respect of shares of the company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call.
 - g) He absents himself from three executive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer without obtaining leave of absence from the Board.
 - h) He, or any firm in which he is a partner or any private company of which he is a Director accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295.
 - i) He acts in contravention of Section 299.
 - j) He becomes disqualified by an order of court under Section 203 or
 - k) He is removed in pursuance of Section 284.
- 2) Notwithstanding anything in clauses (d), (e) and (i) of sub-section.
- 1) The disqualification referred to in those clause shall not take effect.
 - a) for thirty days from the date of 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 appeal or petition is disposed of: 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 appeal or petition is disposed of.
44. 1) Subject to the provisions of Section 297 of the Act, a Director or his relative a firm in which such Director or relative is a partner any other partner in such a firm or a private Company of which such Director is member of Director, may enter into a contract with the Company for the Sale, purchase or any supply of goods, materials or services or for underwriting the subscription of any shares in or debenture of the Company provided that the consent of the Director is obtained by a Resolution passed at a meeting of the Directors before the contract is entered into or within three months of the date on which it was entered into. No such consent however, shall be

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

- 2) A Director who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement entered into, or proposed contract or arrangement to be entered into by or on behalf of the company shall disclose the nature of his concern or interest in a meeting of the Board in the manner provided in Section 299(2) of the Act provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or any such other company or two or more of them together hold not more than two percent of the paid up share capital in such other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of notice be entered into with body corporate, firm, shall be deemed to be a sufficient disclosure made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effective unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- 3) No Directors shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company; if he is any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void provided, however, that nothing herein contained shall apply to;
 - a) any contract of indemnity against any loss which the Directors, or any one or more of them, suffer by reason of becoming or being sureties or a surety for the Company.
 - b) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interests of the director consists solely.
 - i) in his being:
 - a) a Director of such Company, and
 - b) the holder or not more than shares of such number or value therein is requisite to qualify him for appointment as Director thereof, he having been nominated as such Director by the Company; or
 - ii) in his being a member holding not more than two percent of its paid up share capital.

45. Acts done by a persons as a Director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision in the Act or in the Articles, provided that nothing in the Act shall be deemed to given validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
46. Every Director shall have such rights and powers as are provided for in Sections 209, 284, 286, 289 and 320 or any statutory modifications thereof.
47. Every Director shall discharge such duties as are provided for in Sections 271, 305, 308 and 393 or any statutory modifications thereof.
48. Directors shall be subject to such civil liabilities as are provided for in Sections 71, 73, 169, 295, 314, 319 and 320 or any statutory modifications thereof.
49. Director shall be subject to the disability provided for in Sections 275, 295, 300, 312, 314, 318, 319 and 320 or any statutory modifications thereof.
50. The office of a Director shall be vacated.
 - i) On the happening of any of the conditions provided for in Section 283 or any statutory modifications thereof.
 - ii) On the contravention of the provisions of Section 314 or any statutory modifications thereof.
 - iii) If a person is a Director of more than Twenty Companies at a time.
 - iv) If he is disqualified under Section 274 or any statutory modifications thereof.
 - v) In the case of alternative Directors on return of the original Director, to the State, under the provisions of Section 313 or any statutory modifications thereof.
 - vi) On resignation of his office by notice in writing.
51. Subject to the provisions of the Act a Director may be appointed as Manager or Secretary of the Company.

XVI. ROTATION OF DIRECTORS

52. 1) At every Annual General Meeting one-third of such of the Directors for the time being are liable to retire by rotation or if their number is not three or a multiple of three then the number nearest to one-third shall retire from office.
- 2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who become Director on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by lot.
- 3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

- 4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is public holiday, till next succeeding day is not public holiday at the same time and place.
- 5) If the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:
 - i) at the meeting or at the previous meeting a resolution for the appointment of such Director has been put to the meeting and lost.
 - ii) The retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so recommended.
 - iii) He is not qualified or is disqualified for appointment.
 - iv) A resolution whether special or ordinary is required for his appointment by virtue of any provisions of the Companies Act, 1956, or
 - v) The Provisions to sub-section (2) of Section 263 is applicable to the case, where a Director is to retire at an Annual General Meeting by virtue of clause 2 he shall be deemed for the purpose of this Article to retire by virtue of Clause (2) thereof.

XVII PROCEEDINGS OF THE BOARD

53. a) The Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit provided however the Board shall meet once in every three months in accordance with section 285 or any statutory modifications thereof.
- b) A Director may, and the Manager or Secretary on the requisition of a Director shall at any time summon a meeting of the Board.
- c) The Board shall cause notice to be circulated to every Director of the Company who is for the time being in India in accordance with Section 286 or any statutory modifications thereof.
- d) The quorum for a meeting of the Board shall be two Directors or one-third of its total strength whichever is higher as provided for in section 287 of the Act.
- e) The continuing Director may act notwithstanding any vacancy in its body but if and so long as their number is reduced below the quorum fixed by Act or a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or summoning a General meeting of the Company, but for no other purposes.
- f) The Board may elect a Chairman of its meetings and determine the period for which he is to hold office.
- g) In no such chairman is elected, or if any meeting the Chairman is not present within the fifteen minutes after the time appointed for holding the meeting. The Directors present may choose one of their members to be the Chairman of the meeting.
- h) The questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes of Chairman shall have a second or casting vote.

- i) Save as otherwise expressly provided by the Companies Act, 1956, a resolution in writing signed by all the members of the Board or of a Committee thereof for the time being entitled to receive notice of a meeting of the Board of Committee convened and held.
- j) All acts done by any meeting of the Board or by any person acting as a Director shall not be withstanding that it shall afterwards be discovered that there was some defect in the appointment of Directors or persons acting a aforesaid or that they or he or any of them were or was disqualified be as valid as if every such person had been duly appointed and was qualified to be a Director.
- k) The Company shall cause to be kept cause to be kept minutes of all proceedings at meetings of its Board of Directors of Committee of the Board. The minutes of a Meeting shall contain a fair and correct summary of the proceedings threat. The minutes shall also contain:
 - i) The names of the Directors present at the meeting: and
 - ii) In the copy of each resolution passed at the meeting the names of Directors, if any dissenting there from or not concurring in the resolution.
 - iii) The Directors shall cause to be kept Register of Directors in accordance with the provisions of Section 306 of Companies Act, 1956. The Register aforesaid shall be open to inspection by any member of the public at any time during office hours on payment of the prescribed fee. The Company shall also keep a Register of Directors share-holdings giving the particulars required by section 307 of the Companies Act, 1956, and otherwise conforming to the provisions of that section.

XVIII. GENERAL POWER OF THE BOARD OF DIRECTORS

- 54. a) The Board of Directors shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise to do.

Provided that the Board shall not exercise any power or to do any act or thing, which is directed or required by the Act or any other provision of law or by the Memorandum of Association of the Company or by these Articles, to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power or doing such act or thing, the Board shall be subject to the provision contained in that behalf in the Act or any other provision of law or the Memorandum of Association of the Company or those Articles or in any regulation not inconsistent therewith any duly made thereunder, including regulation made by the Company in General Meeting.

- b) 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.

XIX. SPECIFIC POWERS OF THE BOARD

- 55. Without Prejudice to the General Powers, the Board shall have the following specific Powers:
 - a) To Carry out the objects and exercise the Powers contained in clause 3 of the Memorandum of Association of the Company.

- b) To have the Superintendence, control and direction over Managing Director, Managers, Whole Time Directors and all other officers of the Company.
- c) To delegate subject to the provisions of Section 292 or any statutory modifications thereof by a resolution passed at a meeting, to any Committee of Director, Managing Director, or the Managers of the Company.
 - i. Power to borrow money otherwise on debentures.
 - ii. The power to invest the funds of the Company.
 - iii. The power to make loans.

Provided however that resolution delegating the power in clause(i) shall specify the total amount upto which money may be borrowed by the delegate; every resolution delegating power referred to in clause (ii) shall specify the total amount up to which the funds may be invested and the nature of investments which may made every resolution delegating the power in clause (ii) shall specify the total amount upto which loans may be made. The purpose for which the loans may be made, and the maximum amount of loans which may be made for each such purpose in individual cases.

Provided further that nothing in this regulation shall be deemed to affect right of the company in General Meeting to impose Restrictions and conditions on the exercise by the Board of any of the Powers specified above.

- d) To provide for the managements of the affairs of the Company in any specified locality in or outside India and to delegate to person in-charge of the local management such powers (not exceeding those which are delegated by the Directors under these regulations).
- e) To appoint at any time and from time to time by a power of attorney under seal, any persons authorised and discretions (not exceeding those which are delegatable by the Directors under these presents) and for such period and subject to such conditions as the Board may from time to time think fit, with powers for such attorneys, to sub-delegate all or any of the Powers, authorities and discretions (not exceeding those which are delegatable by the Directors under the presents) and for such period and subject to such conditions as the Board may from to time to time think fit, which powers for such attorneys to sub delegate all or any of the Powers, authorities and discretions vested in the attorney for the time being.
- f) To acquire by lease, mortgage, purchase or exchange or otherwise any property, rights or privileges which to company is authorised to acquire at any such price generally in such terms and conditions as the Board may think fit and to sell, let, exchange or otherwise dispose of absolutely or conditionally and property, rights or privileges and undertaking of the Company upon such terms and conditions and for such considerations as they think fit subject however to the restrictions impose on the Board by section 293 or any statutory modifications thereof.
- g) To open any account or accounts with such Banks as the Board may elect or appoint, to operate on such accounts, to make sign, draw, accept, endorse, or otherwise execute all cheques, promissory notes, drafts, hundies, orders, bills, of exchange bills of lading and other discharge for money payable to the Company and for the claims and demands of the Company to make contracts and to execute deeds provided however the provisions of Section 46, 47 and 48 or any statutory modifications thereof shall be compiled with.

- h) To appoint officer(s) clerks and servants for permanent, temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require security in such instance and to such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants.
- i) To sanctions, pay and reimburse to the officers of the company in respect of any expenses incurred by them on behalf of the Company.
- j) To invest and deal any of the moneys of the Company, to vary or release such investments, subject to the provisions of Section 42, 49, 77, 292, 293, 295, 365 read with Section 370, 372, 373, and 379 or any statutory modifications thereof.
- k) To refer claims or demands by/or against the Company for arbitration in accordance with the provisions of Section 389 or any statutory modifications thereof and observe and perform awards made thereon.
- l) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment of satisfaction or any debt due and of claims or demands by or against the Company and to appoint Solicitors, Advocates, counsel and other local advisers for such purpose or for any other purpose and settle and pay their remuneration.
- m) To act behalf of the Company in all matters in insolvency which the Company is interested.
- n) To pay and give gratuities, pension and allowance to any person or persons including any Director, to his widow, children or dependents, that may appear to the Directors just or proper whether any person, widow, children, or other dependents have or not a legal claim upon the Company and whether such person is still in the service of the Company or has retired from its service, or to make contributions to any funds and pay premiums for the purchase of provisions of any such gratuity, pension or allowance.
- o) To establish, maintain, support and subscribe to any charitable or public object or any society institution, or club which may be for the benefit of the Company or its employees.
- p) To set aside portions of the profits of the Company to form a fund or funds before recommending any dividends for the objects mentioned above.
- q) To make and alter rules and regulation concerning the manner of payment of the contributions of the employees and the Company respectively to any such fund and accrual, employment suspension and forfeiture of the benefits of the said Fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as Directors shall time to time think fit.
- r) To exercise the power conferred by Section 50 or any statutory modification thereof with regard to having an official seal for use abroad.
- s) To exercise the powers conferred on the Company by Section 157 and 158 or any statutory modifications thereof with regard to the keeping of foreign registers.
- t) To authorise any person to sell any goods or articles manufactured or produced by the Company or to purchase, obtain or acquire machinery, stores, goods or

materials for the purpose of the Company, or to sell the same when no longer required for those purposes.

- u) To exercise other Powers referred to under these regulations not specifically mentioned in this regulation but referred to in other regulation in these Articles.
- v) To determine by resolution from time to time the name of person or persons who shall be entitled to do all or any of the acts mentioned in these regulations on behalf of the Company.

XX. SPECIFIC DUTIES OF THE BOARD

56. a) The Board shall call Extraordinary General Meeting on requisition by members in accordance with section 169 or any statutory modification thereof.
- b) There shall be attached to every balance sheet laid before the Company in General Meeting a report by the Board of Directors in accordance with the provisions of sections 217 or any statutory modification thereof.
- c) The Director's Report must also include a list showing the names of all employees of the Company who were in receipt of such sum as may be prescribed by the Central Government from time to time and the Report must also state whether any such employee is a relative of any Director or Manager of the Company and if so, the name of such Director or Manager.
- d) The Board shall cause to be kept at its Registered Office Registers, Books and documents of the Company required to be maintained, kept open for inspection under the provisions of the Companies Act, 1956 and particularly under section 49, 118, 136, 143, 144, 150, 151, 152, 163, 196, 301, 302, 303, 304, 307, 356 to 360, 362 and 372 of the Act be kept open for such inspection by the extent, in the manner and on payment of the fees, if any specified in the aforesaid provisions at Registered Office of the Company during office hours on any working day except when the Registers and books close under the provision of the Companies Act, 1956 or by the Articles of Association of the Company.

Provided however that the Register required to be maintained under Section 307 of the Act shall be open for inspection of the members, of holders of debentures of the Company, if any, as aforesaid between the times above mentioned during the period prescribed by sub-section 5(a) of Section 307.

- e) The Board shall cause to be laid before the Company in General Meeting the Balance sheet and Profit and Loss Account in accordance with the provisions of Section 217 or any statutory modifications thereof.
- f) The Board shall cause to be sent to the registrar as and when required the returns mentioned in Sections 17, 18, 21, 22, 44, 60, 70, 75, 95, 103, 107, 125, 127, 135, 138, 146, 149, 156, 157, 159, 161, 165, 192, 220, 264, 276, 303, 391 and 404 or any statutory modifications thereof.
- g) The Board shall cause giving copies of documents to any member or to any other person in accordance with the provisions of Sections 39, 118, 163, 279, 225, 284, read with 379, 393 and 419 or any statutory modifications thereof.
- h) The Board shall cause the despatch of abstract and memorandum referred to in Section 302 in accordance with the provisions contained therein or any statutory modification thereof.

XXI. CERTAIN POWERS TO BE EXERCISED BY BOARD ONLY AT MEETINGS

57. a) The Board shall exercise the following powers on behalf of the Company only by means of resolutions passed at meeting of the Board.
- i) The Power to make calls on shareholders in respect of money unpaid on their shares.
 - ii) The Power to issue debentures.
 - iii) The Power to Borrow money otherwise than on debentures.
 - iv) The Power to invest the funds of the Company; and
 - v) The Power to make loans, and shall exercise these powers in accordance with section 192 or any statutory modifications thereof.
- b) The Board shall also exercise the powers mentioned in Sections 262, 297, 316, 372, 386 and 488 only at meeting of the Board and in accordance with the provisions of these sections or any statutory modifications thereof.
58. a) Subject to the provisions of Sections 316, 372 and 386 of the Act requiring unanimous resolution of the Board of Directors, questions arising at any meeting of the Board shall be decided by a majority of votes.
- b) In case of an equality of votes, the Chairman of the Board if any, shall have a second or casting votes.
59. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any to all the Directors to all the members of Committee then in India (not being less in number than the quorum fixed for a meeting of the Board of Committee as the case may be) and to all other Directors of members, at their usual address in India and has been approved by such of the Directors for members or by a majority of such of them as are entitled to vote on the resolution.

XXII. RESTRICTION ON THE POWERS OF BOARD

60. a) The Board shall not exercise the powers referred to in Section 293 without the consent of the Company in General Meeting and only to the extent mentioned therein or any statutory modification thereof.
- b) In the appointment of sole selling agents for the Company for any area, the Board shall conform to the provisions of Sections 294 or any statutory modifications thereof.
- c) In giving loans to Directors and other persons mentioned in Section 295 (1) the Board shall conform to the provisions of that section or any statutory modifications thereof.

XXIII. MANAGEMENT

61. The Board of Directors may, from time to time and subject to requisite approval of the Company in the General Meeting and where necessary also that of the Central Government under the provisions of the Companies Act, 1956 appoint a Managing Director, Joint Managing Director, Technical Director on such terms and conditions and for such period that they may consider proper.

62. The Managing Directors and the Joint Managing Directors shall be responsible for carrying on and conducting the business of the Company subject to the supervision, directions, and control of the Board of Directors. In the conduct or management of the said business, the Managing Directors and the Joint Managing Directors may exercise such powers, authorities and discretions as may, from time to time be vested in them under an agreement or delegated to them by the Board of Directors.
63. The Managing Director and the Joint Managing Director shall not be liable to retirement by rotation.
64. Subject to Section 197A of the Act, the Company may appoint a person as Manager as defined in Section 2 (24) of the Companies Act, Provided, however no firm, body corporate or association shall be appointed Manager.
65. In the appointment of a person as Manager of the Company provisions of Section 385 and 386 or any statutory modifications thereof shall be complied with.
66. Any assignment of the office by Manager of the Company shall be void.
67. No person shall be appointed Manager of the Company for more than a period of five years and in making such appointments, provisions of section 317 read with section 385 or any statutory modifications thereof shall be complied with.

XXIV. REMUNERATION OF DIRECTORS, MANAGERS AND EMPLOYEES

68. a) Payment of remuneration of Directors including Managing and Whole Time Director, and Manager, if any, shall subject to the provisions of Section 198 or any statutory modifications thereof.
b) In fixing the remuneration of employees of the Company other than Directors and Manager the provisions of Section 199 and 200 or any statutory modifications thereof shall be complied with.
69. In fixing the remuneration of Directors including Managing and Whole Time Directors the provisions of section 309, 310, 311 or any statutory modifications thereof shall be complied with.
70. The Managing Directors of the Company may subject to the provisions of section 198, 310, and 311 or any statutory modifications thereof receive remuneration either by way of monthly payment or by way of specified percentage not exceeding 5% of the profits of the company calculated in the manner laid down in section 349, 350 and 351 or partly by the one way and partly by the other.
71. The Directors shall from time to time decide their own remuneration for attending the Board meeting, but in no case it shall exceed the limits prescribed by section 310 of the Act, or any statutory modifications thereof.
72. The Director may fix up a fee to be paid to any Director for attending a meeting of the sub-committee/sub-committee but in no case it shall exceed the limits prescribed by section 310 of the Act, or any statutory modifications thereof.
73. Traveling and daily allowance of Directors while traveling on company's business including the attendance of Board meetings may be fixed by the Board of Directors from time to time.

74. If any Director being willing, shall be called upon to perform extra service or to make any special exertions in going or residing abroad or in negotiating or carrying into effect any contract of arrangement by it the company otherwise for and purposes of the company, or act as trustee for the company or its debenture holders and shall do so, the company may remunerate such director either by a fixed sum and/or percentage of profits or otherwise, as may be permissible under the Companies Act.

XXV. AUDIT

75. Auditors shall be appointed and their duties regulated in accordance with Sections 224 to 235 both inclusive or any statutory modifications thereof.

XXVI. SEAL

76. The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time, to destroy the same and substitute a new seal in lieu thereof.
77. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the board authorised by it in that behalf. Every instrument to which the seal is affixed shall be signed by the Managing Director or joint Managing Directors or other officer appointed by the Directors for the purpose and countersigned by a Director, Manager or Secretary.

XXVII. DIVIDENDS AND RESERVES

78. The Company in General Meeting may declare dividends but no dividends shall exceed the amount recommended by the Board.
79. The Board may from time to time pay the members such interim dividends as appear to it to be justified by the profits of the Company.
80. a) The Company shall transfer to a Reserve of such percentage of its profits for the year, as prescribed by transfer of (Profits to Reserves) Rules 1975 before declaring or paying dividends out of profits of the current year.
- b) The Board may also carry forward any profit which it may think prudent not to distribute.
- c) Subject to the rights of the persons, if any, entitled to share with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividends is paid.
- d) No amount paid in advance of call shall be credited as paid on shares and not in respect thereof confer right to dividend or to participate in the profits of the Company.
- e) All dividends shall be appointed and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividends is paid, but if any shares issued on terms providing that it shall rank for dividends as from a particular date such share rank for dividend accordingly.
81. 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.

82. a) Any General Meeting declaring a dividend or bonus may direct payment of such dividends or bonus wholly or partly by the distribution of specific assets and the Board shall give effect to the resolution of the Meeting.
- b) Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particulars may issue fractional certificate and fix the value of distribution of such specified assets or any part thereof may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific asset trustees as many deem expedient to the Board.
- c) Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such persons and to such address as the holder of joint holders may in writing direct.
- d) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- e) Anyone of the two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respects of such shares.
- f) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- g) No dividends shall bear interest against the Company.
83. Any Annual General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixed 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, if so arranged between the Company and the members be set off against the call under this clause shall be deemed ordinary business of an ordinary General Meeting which declares a dividends.
84. All dividends on any share not having registered owner entitled to require payment and competent to give a valid receipt shall remain in suspense until some competent persons be registered as the holder of the share.
85. The Board shall transfer the unpaid or unclaimed dividend within 7 days of the expiry of 42 days from the date of declaration of the dividend to a special account with a schedule bank, to the known as Unpaid Dividend Account of the unpaid dividends is not so transferred, the Company shall pay interest at the rate of 12% per annum. Any money transferred to the unpaid dividend Account of the Company which remains unpaid or unclaimed for 3 years from the date of such transfer must be preferred to the Central transferred to the General Revenue Account of the Central Government and any claim after such transfer must be preferred to the Central transferred to the General revenue account of the Central Government and any claim after such transfer must be referred to the Central Government.

XXVIII. CAPITALISATION OF PROFITS

86. a) The Company in General Meeting may upon the recommendation of the Board, resolve.

- i) That is desirable to capitalise any part of the amount for the time being to the credit of any of the Company's reserve accounts or to the profit and loss account or otherwise available for distribution, and
 - ii) That such sum be accordingly set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions.
 - b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
 - i) Paying up any amounts for the time being unpaid on any shares held by such members respectively.
 - ii) Paying up in full, unissued shares or debentures of the Company to be allotted and distributed as fully paid up to and amongst such members as the proportions aforesaid, or
 - iii) Partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (ii).
 - c) A share premium account and a capital redemption reserve fund may, for the purpose of the regulation, only be applied in the paying up of unissued shares to be to members of the Company as fully paid bonus shares.
 - d) The Board shall give effect to the resolution passed by the Company in pursuance of the regulation.
87. a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:-
- i) Make all appropriations of the undivided profits resolved to be capitalised thereby, and all allotments and issue of fully paid shares or debentures, if any and
 - ii) Generally to do all acts and things required to give effect thereto.
- b) The Board shall have full power:-
- i) To make such provision by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case shares or debentures becoming distributable in fractions and
 - ii) 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 or debentures to which they may be entitled upon such capitalisation, or (as the case may be require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid in their existing shares.
- c) Any agreement made under such authority shall be effective and binding on all such members.

XXIX. ACCOUNTS

88. The Company shall comply with provisions of Sections 209 to 221 with regard to the keeping of accounts, preparations of Balance sheet and Profit and Loss Accounts.

89. a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the account and books of the Company or any of them shall be given to the inspection of members not being Directors.
- b) No member (not being a Director) shall have any right of inspecting any account or book document of the company except as conferred by the regulations or authorised by the Board or by the Company in General Meeting.

XXX. WINDING UP

90. Every Account of the Directors, when audited and approved by an Annual General Meeting, shall be conclusive.
91. If the Company shall be wound up, and the assets, available for distribution among the members as such, shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in of proportion to the capital paid up or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets, available for distribution among the members, shall be more than sufficient to repay the whole of the capital paid up at the commence of the winding up the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
92. 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 specific or kind, any part of the assets, of the Company trustees upon such trust for the benefit of the contributories or any of them, as the liquidators with the like sanction, shall think fit, but that no member shall be compelled to accept any shares or other securities where there is any liability.

XXXI. SECRECY

93. Every Director, Secretary, Manager, Auditor, Trustee, Member of Committee, officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall before entering upon the duties sign a declaration pledged himself not to reveal any of the matter which may have come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any meeting of the share holders or by a Court of Law 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 of Association.
94. Any Director or officer of the Company shall be entitled, if he thinks fit, to decline to answer any question concerning the business of the Company which may be put to him on any occasion including any meeting of the Company on the ground that the answer to such question would disclose or tend to disclose the trade secret of the Company.
95. Any officer or employee of the company proved to the satisfaction of the Board of Directors to have been guilty of disclosing the secrets of the Company shall be liable to instant dismissal without notice and payment of damages.

XXXII. INDEMNITY

96. a) Every Director of the Company, Manager, Secretary and other officer or employee of the Company, shall be indemnified by the Company against, and it shall be the

duty of the Directors to pay out of the funds of the Company costs, losses and expenses (including traveling 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 as such director, officer or servant or in any way in the discharge of his duties.

- b) Subject to as aforesaid every Director, Manager, Secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceeding whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 of this Act in which relief is given to him by the Court.
97. No Director, Auditor or other officer of the Company shall be liable for the acts, receipts or defaults of any other Director or Officer, for joining in any, receipts or other act for conformity or for any loss of expenses happening to the Company through the insufficiency, a deficiency of title to any property acquired by order the directors for or on behalf of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any moneys, securities, or effects shall be deposited, or for any loss occasioned by any error of judgement, commission default or oversight on his part, or for any other loss damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.

SI No.	Name, address, description and Occupation of subscribers and signature	Name address, description, occupation and signature of witness
01.	<p>Sd/- GUDARU NARAIHA NAIDU S/o. G.P.Venkataiah Naidu 5-8-356, Chirag Ali Lane Hyderabad - 500 001 Consulting Architect & Engineer</p>	<p>Sd/- D.MADHUSUDANA RAO S/o. Balarama Krishnaiah 6-3-661/10, Somajiguda Hyderabad - 500 004 Chartered Accountant</p>
02.	<p>Sd/- VENGALA RANGA REDDY S/o. Vengala Venkat Reddy H.No.5-9/1/8, Adarshnagar Hyderabad - 500 483 Civil Engineer</p>	
03.	<p>Sd/- KOMMINENI SESHAGIRI RAO S/o. K.Subba Rao 74/3Rt, Sanjeevareddy Nagar Hyderabad - 500 038</p>	
04.	<p>Sd/- C.NARSIMHA REDDY S/o. C.Narayan Reddy 16-147/64/4, Malakpet Hyderabad Senior Architect - N.N.Associates</p>	
05.	<p>Sd/- NELLY PALLY SAMYOGEETA 13/L, Srivilas Padmarao Nagar, Secunderabad Secretary to M.D., N.N.Associates</p>	
06.	<p>Sd/- MISS WENDY WILSON D/o. Paul Wilson 1-7-151/1, Mettuguda Secunderabad Receptionist</p>	
07.	<p>Sd/- DOLARRAY G.PANCHAL S/o. Gorbhdhanbhai V.Panchal 5-4-58, Mahakali Street Secunderabad - 500 003 Senior Structural Engineer</p>	