

THE COMPANIES ACT, 2013
A COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
GOWRA LEASING AND FINANCE LIMITED

Preliminary

1. Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I of the Companies Act, 2013 as are applicable to a Public Company limited by shares, shall apply to the Company so far as they are not inconsistent with any of the provisions contained in the Articles or modifications thereof and only to the extent that there is no specific provisions in these Articles. In case of any conflict between the provisions of these Articles and Table 'F', the provisions of these Articles shall prevail.

Interpretation

2. (i) In these Regulations :-
 - a) "Act" means the Companies Act, 2013, and any statutory modification thereof.
 - b) "Articles" means these articles of association of the Company or as altered from time to time.
 - c) "Board" or "Board of Directors" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a meeting of the Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with the Articles, or the Directors of the Company collectively.
 - d) "Company" means Gowra Leasing and Finance Limited.
 - e) "Directors" means the Directors of the Company and includes persons occupying the position of the Directors by whatever names called.
 - f) "Depository" shall mean a Depository as defined in Section 2 of the Depositories Act, 1996.

- g) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
- h) "Seal" means the Common Seal of the Company.
- (ii) Unless the context otherwise requires words or expressions contained in these Articles shall be the same meaning as in the Act, or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

The marginal notes used in the Articles shall not affect the construction hereof.

SHARE CAPITAL AND VARIATION OF RIGHTS

Capital

- 3. The Authorised Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association, with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

Shares under control of Board

- 4. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

Shares for consideration other than cash

- 5. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for and property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, if the price of such shares is determined by the valuation report of a

registered valuer and such issuance and allotment is approved by a special resolution of the shareholders of the Company.

Kinds of share capital

6. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

i. Equity share capital:

a. with voting rights; and / or

b. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

ii. Preference share capital

Issue of certificate

7. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, -

(a) One certificate for all his shares without payment of any charges; or

(b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary:

Provided that in case the company has a common seal, it shall be affixed in the presence of the persons required to sign the certificate.

(iii) One Certificate for shares held jointly

In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(iv) Issue of new share certificate in place of one defaced, lost or destroyed

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.

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

Power to pay commission in connection with securities issued

9. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, 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 that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Variation of the member's right

10. (i) If at any time the 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 shares of that class) may, subject to the provisions of section 48, 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 meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

Issue of further shares not to affect rights of existing members

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Power to issue redeemable preference shares

12. Subject to the provisions of the act, any preference shares may, with the sanction of an special resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Further issue of share capital

13. i. The Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to:
 - a. Persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
 - b. Employees under any scheme of employees' stock option, subject to approval by the shareholders of the Company by way of a special resolution; or
 - c. Any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above, subject to approval by the shareholders of the Company by way of a special resolution.
- ii. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Sweat Equity Shares

14. Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued under Companies Act, 2013 and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.

Terms of issue of debentures

15. Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting by way of a special resolution.

LIEN

16. (i) The company shall have a first and paramount lien-
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

As to enforcing lien by sale

17. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

18. (i) **Validity of sale**

To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Validity of Company's receipt

19. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

20. (i) **Application of proceeds of sale**

The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) **Payment of residual money**

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

Outsider's lien not to effect Company's lien

21. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
22. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

CERTIFICATES

23. Notwithstanding anything contained elsewhere in these Articles, the Board may in their absolute discretion refuse sub-division of share certificates or debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law.
24. Notwithstanding anything contained elsewhere in these Articles, a certificate, if required, for a dematerialised share, debenture and other security shall be issued in the name of the Depository and all the provisions contained in these Articles in respect of the rights of a member/debenture holder of the Company shall mutatis mutandis apply to the Depository as if it were a member / debenture holder / security holder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialised share, debenture and other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all other rights available to the registered holders of the shares, debentures and other securities in the Company as set out in the other provisions of these Articles.

DEMATERIALISATION

25. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a register of members/ debenture-holders/ other security-holders with the details of members/ debenture-holders/ other security-holders holding shares, debentures or other securities both in materialised and dematerialized form in any media as permitted by the Act.

Option to hold shares in electronic or physical form

26. Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security 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 records the name of the allottee as the beneficial owner of the security.

Beneficial owner deemed as absolute owner

27. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.

Shares, debentures and other securities held in electronic form

28. In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.

Provided that in respect of the shares and securities held by the Depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act, 1996, shall apply so far as applicable.

29. Every Depository shall furnish to the Company, information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.

Provisions to apply to shares in electronic form

30. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act, 1996.

CALLS ON SHARES

31. (i) The Board may, from time to time, make calls upon the members in respect of any monies 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 exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Notice of call

Each member shall, subject to receiving at least fourteen days' notice specifying the time or times 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.

32. Call to take effect from date of resolution

A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

33. Liability of Joint Holders

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

34. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) Board may waive interest

The Board shall be at liberty to waive payment of any such interest wholly or in part.

Sums deemed to be calls

35. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, 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 or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Payment in anticipation of calls may carry interest

36. The Board-

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

Installments on shares to be duly paid

37. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

38. All calls shall be made on a uniform basis on all shares falling under the same class.

Partial payment not to preclude forfeiture

39. Neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
40. The provisions of these Articles relating to calls on shares shall mutatis mutandis apply to any other securities including debentures of the Company.

TRANSFER OF SHARES

41. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof

Transfer not to be registered except on production of instrument of transfer

42. The Company shall not register a transfer of shares in, or debentures of the Company held in physical form unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures:

Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.

Board may refuse to register transfer

43. The Board may, subject to the right of appeal conferred by section 58 decline to register-
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (b) any transfer of shares on which the company has a lien.
44. A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.
45. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the shares application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.

For the purpose of above clause notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered upon the expiry of seven days from the date of dispatch

Board may decline to recognize instrument of transfer

46. The Board may decline to recognize any instrument of transfer unless-
- (a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.
47. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, 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 thirty days at any one time or for more than forty-five days in the aggregate in any year.

Notice of refusal to be given to transferor and transferee

48. If the Company refuses to register the transfer of any share pursuant to these to be Articles, it shall within thirty days from the date on which the instrument of transfer was delivered to the Company send notice of refusal to the transferee and transferor.
49. No transfer shall be made to a person of unsound mind. However, transfer of fully paid up shares can be made in the name of a minor if he is represented by his lawful guardian.
50. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.
51. The Board may, in their discretion, waive the payment of any transfer or transmission fee either generally or in any particular case or cases.

Power to close Register of Members or other security-holders

52. The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate, close the register of members or the register of debenture-holders or other security holders for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time.
53. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

TRANSMISSION OF SHARES

54. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Transmission Clause

55. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

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

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

(ii) 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 member had transferred the share before his death or insolvency.

(iii) Indemnity to the Company

The Company shall be fully indemnified by such person from all liability, any, by actions taken by the Board to give effect to such registration or transfer

56. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

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

Limitations applicable to notice

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Claimant to be entitled to same advantage

57. 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 share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

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

58. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company

FORFEITURE OF SHARES

59. If a 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 time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

Form of notice

60. The notice aforesaid shall –
- (i) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (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 shall be liable to be forfeited.

61. In default of payment of shares to be forfeiture

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

62. (i) Forfeited shares may be sold, etc.

A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) Cancellation of forfeiture

At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

63. (i) Member still liable to pay money owing at time of forfeiture

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) Member still liable to pay money owing at time of forfeiture and interest

All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

(iii) Cessation of liability

The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

64. (i) Certificate of forfeiture

A duly verified declaration in writing that the declarant is a director, the manager or 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 the facts therein stated as against all persons claiming to be entitled to the share;

(ii) Title of purchaser and transferee of forfeited shares

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 of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

65. **Entry of forfeiture in register of members**

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

66. **Effect of forfeiture**

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

67. 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, becomes 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.

Validity of the sales

68. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

Cancellation of share certificate in respect of forfeited shares

69. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

70. **Surrender of share certificates**

The Board may, subject to the provisions of the Act, accept a surrender of the share certificate for any forfeited share from or by any member desirous of surrendering them on such terms as they think fit.

71. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

ALTERATION OF CAPITAL

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

73. **Power to alter share capital**

Subject to the provisions of section 61, the company may, by ordinary resolution, –

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Shares may be converted into stock

74. Where shares are converted into stock, –

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) Right of stockholders

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

Reduction of capital

75. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, —

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

JOINT HOLDERS

76. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship, subject to the following and other provisions contained in these Articles:

(i). Liability of joint-holders

The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.

(ii). Death of one or more joint holders

On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

(iii). Receipt of one sufficient

Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

(iv). Delivery of certificate and giving of notice to first named holder

Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

(v). Vote of Joint Holders

Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.

Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

CAPITALIZATION OF PROFITS

77. (i) **Capitalisation**

The company in general meeting may, upon the recommendation of the Board, resolve:

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

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

(ii) **Sum how applied**

The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards –

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

78. Powers of the Board for capitalisation

- (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall –
 - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally, do all acts and things required to give effect thereto.
- (ii) **Board's power to issue fractional certificate/coupon etc.**

The Board shall have power –

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

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

80. Restrictions on purchase by Company of its own shares

The Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company, save as provided by the Act.

GENERAL MEETINGS

81. **Extraordinary general meeting**

All general meetings other than annual general meeting shall be called extraordinary general meeting.

82. **Powers of Board to call extraordinary general meeting**

(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, 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.

PROCEEDINGS AT GENERAL MEETINGS

83. **Presence of Quorum**

(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

84. **Chairperson of the meetings**

The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

85. **If** there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

86. **Members to elect chairperson**

If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

87. Power of Chairperson

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

88. Casting vote of Chairperson at general meeting

On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

89. (i). Minutes of proceedings of meetings and resolutions passed by postal ballot

The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

(ii). Certain matters not to include in the minutes books

There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting:

- a. is, or could reasonably be regarded, as defamatory of any person; or
- b. is irrelevant or immaterial to the proceedings; or
- c. is detrimental to the interests of the Company.

(iii). Discretion of the chairperson in relation to Minutes

The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

(iv). The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

90. (i). **Inspection of minute books of general meeting**

The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

- a. be kept at the registered office of the Company; and
- b. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

(ii). **Members may obtain copy of the minutes of general meeting and any other documents in which they are eligible to obtain copy as prescribed by the Act**

Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Act, Board or Members as the case may be.

ADJOURNMENT OF MEETING

91. (i) **Chairperson may adjourn the meeting**

The Chairperson 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 from place to place.

(ii) **Business at adjourned meeting**

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) **Notice of adjourned meeting**

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) **Notice of adjourned meeting not required**

Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

92. Entitlement to vote on show of hands and on poll

Subject to any rights or restrictions for the time being attached to any class or classes of shares, —

- a) on a show of hands, every member present in person shall have one vote; and
- b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

93. Scrutineers at poll

Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary to scrutinise the poll process and votes given on the poll and to report thereon to him;

94. The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.

95. Voting through electronic means

A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

96. How members *non compos mentis* and minor may vote

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

97. **Business may proceed pending poll**

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

98. **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.

99. **Votes in respect of shares of deceased or insolvent members, etc.**

Subject to the provisions of the Act and other provisions of these Articles, any person entitled to any shares, pursuant to the provisions related to Transmission in these Articles, may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

100. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

101. **Validity of the Vote**

(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 disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

(iii) Any member shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

PROXY

102. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

103. **Proxies when to be deposited**

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

104. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

105. **Proxies to be valid notwithstanding death of the principal**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or 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, revocation or transfer shall have been received by the company at its office before the commencement of the meeting adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

106. **Board of directors**

The First Directors of the Company are:

1. Shri G.L. Prasad
2. Shri G. Lakshminarayana
3. Shri Soma Dayanad
4. Smt. G. Sabitha

107. **Nominee Directors**

Notwithstanding anything contrary contained in the Articles, if the Company has availed any loan(s) from, or issued any debentures or other instruments/securities to, any bank(s), financial institution(s), non-banking financial companies, asset reconstruction companies or any other body corporate ("Lender(s)") and so long as any monies with respect to such loan(s) granted by such Lender(s) to the Company remain outstanding by the Company to any Lender(s) or so long as the Lender(s) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s) hold equity shares in the Company as a result of conversion of such loans/debentures, or if the agreement with the respective Lender(s) provide for appointment of any person or persons as a Director or Directors, or if the Company is required to appoint to appoint any person as a director pursuant to any agreement,(which Director or Directors is / are herein after referred to as "Nominee Director(s) / Observer(s)") on the Board, the Company may appoint such person nominated by such Lender(s) as Nominee Director / Observer, in accordance with the terms and conditions specified in the agreement executed with such Lender

108. (i) **Remuneration of directors**

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

Subject to the provisions of Sections 188 and 197 of the Act, in addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them –

- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.

109. The fees payable to the Director for attending the meeting of the Board or committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.

Foreign Register

110. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section)

make and vary such regulations as it may think fit respecting the keeping of any such register.

111. Execution of negotiable instruments

All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

112. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose or submit a duly signed attendance slip which shall be maintained as part of the book to be kept for that purpose.

113. Independent Director

The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him/her in accordance with the provisions of section 149. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.

114. (i) Additional director

Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

115. Alternate director

The Board may appoint an alternate director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

116. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
117. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate director.
118. **Appointment of director to fill casual vacancies**
- (i). If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- (ii). The Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated.

POWERS OF THE BOARD

119. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

BORROWING POWERS

120. The Directors may, from time to time, at their discretion, raise or borrow, or secure the payment of, any sum or sums of money for the purposes of the Company; Provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time except with the consent of the Company by way of special resolution in general meeting exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

121. Conditions on which money may be borrowed

The Directors, with shareholders' consent where required by the Act and Rules, may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

PROCEEDINGS OF THE BOARD

122 (i) When meeting to be convened

The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) Who may summon Board meeting

The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time summon a meeting of the Board.

123. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

124. Directors not to act when number falls below minimum

The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

125. Who shall preside at meetings of the Board

(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) The Board may elect one of their members as Co-Chairperson to preside over their meetings in the absence of the Chairperson and determine the period for which he is to hold office. The Co-Chairperson shall in the absence of the Chairperson, have all the powers conferred on the Chairperson by these Articles.

(iii) The Board may elect one of their members as Vice Chairman to preside over their meetings in the absence of the Chairperson and Co-Chairperson and determine the period for which he is to hold office. The Vice Chairman shall in the absence of the Chairperson and Co-Chairperson, have all the powers conferred on the Chairperson by these Articles.

(iv) If no such Chairperson, Co-Chairperson or Vice Chairman is elected, or if at any meeting the Chairperson, Co-Chairperson and Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

126. **Delegation of powers**

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

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

127. **Chairperson of Committee**

(i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

128. **Meeting of the Committee**

(i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

129. Acts of Board or Committee valid notwithstanding defect of appointment

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

Save as otherwise expressly provided in the Act, 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 or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

130. A meeting of the Board of Directors shall be held at least four times every year and not more than 120 days shall lapse between two Board meetings.

131. Notice of Meetings

Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

132. The quorum for a Board meeting shall be as provided in the Act.

133. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

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

134. Chief Executive Officer, etc

Subject to the provisions of the Act, —

(i). A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii). A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

135. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

MANAGING DIRECTOR

136. (i). Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be the Managing Director of the Company, in accordance with the provisions of the Act and the Rules

(ii). A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.

REGISTERS

137. **Statutory registers**

The Company shall keep and maintain at its registered office all statutory registers including, register of charges, register of annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

Foreign register

(i) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act)

make and vary such regulations as it may think fit respecting the keeping of any such register.

- (ii) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

THE SEAL

138. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

139. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

140. **Interim dividends**

Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

141. **Dividends only to be paid out of profits**

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

(ii) The Board may also carry forward any profits which it may consider necessary not, to divide, without setting them aside as a reserve.

142. Division of profits

(i) Subject to the rights of persons, if any, entitled to shares 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 whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) Dividends to be apportioned

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

143. 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.

144. No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

145. (i) Any dividend, interest or other monies 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 person and to such address as the holder or joint holders may in writing direct.

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

146. Receipt of one holder sufficient

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

147. Notice of Dividend

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.

148. No dividend shall bear interest against the company.

149. Waiver of dividend

The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

ACCOUNTS

150. Inspection by Directors

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.

151. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) Restriction on inspection by members

No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

152. Subject to the provisions of Chapter XX of the Act and rules made thereunder –

- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY AND INSURANCE

153. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

154. **Directors and officers right to indemnity**

Subject to the provisions of the Act, every Director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

155. Subject as aforesaid, every Director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application

under applicable provisions of the Act in which relief is given to him by a court or such authority.

156. **Insurance**

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

GENERAL POWER

157. Wherever in the Act or the Rules, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECURITY CLAUSE

158. Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.

Sl. No.	Signature, Name, Address, Description and Occupation of Subscribers	Signature of the subscriber	Signature, Name, Address Description and Occupation of Witness
1.	G.L PRASAD , S/o. G. V. Ratnam, 1st Floor, Plot No. 52, Sarwasukhi Colony, West Marredpally, Secunderabad (Business)	Sd/-	Sd/- JITENDRA JAIN (Jitendra Kumar Jain) S/o. Dr. Sujjan Mal Jain, 5-5-9/13, Second Floor, Srinivasa Building, Ranigunj, Secunderabad. (Chartered Accountant).
2.	G. LAKSHMI NARAYANA , S/o Late G.Subbaraya Setty, Gowra Nivas, Adoni (Business)	Sd/-	
3.	SOMA DAYANAND , S/o. Late S.Venkateswara Rao, Plot No. 2/5, S.S. Nagar, West Marredpally, Secunderabad (Business)	Sd/-	
4.	MRS. G. SABITHA , W/o. G. Srinivas, Plot No. 17, Motilal Nehru Nagar, Begumpet, Hyderabad, (Business)	Sd/-	
5.	MRS. G. R. NIRMALA , W/o. G. Raja Gopal, 1-8-108, Meclodguda, Prenderghast Road, Secunderabad (Housewife)	Sd/-	
6.	G. ANIL KUMAR , S/o. G V Ratnam, 1st Floor, Plot No. 52, Sarwasukhi Colony, Marredpally (West), Secunderabad (Business)	Sd/-	
7.	G RAMANJANEYULU , S/o Late Gowra Lakshmi Narayana Setty, Gowra Nivas, Adoni (Business)	Sd/-	
8.	G S SUBBA RAJ , S/o. G. Srinivas, Rep. by P.A. Holder - Gowra Srinivas , S/o Late G.Subbaraya Setty, Plot No. 17, Motilal Nehru Nagar, Begumpet, Hyderabad (Business)	Sd/-	
9.	G S RAMESH BABU , S/o. Late G. Subbaraya Setty, 1st Floor, Plot No. 1, Bapubagh, Prenderghast Road, Secunderabad (Business)	Sd/-	
10.	G S RAJAGOPAL , S/o. Late G. Sri Ramaiah Setty, 1-8-108, Meclodguda, Prenderghast Road, Secunderabad (Business)	Sd/-	
11.	G SRINIVAS S/o. Late G. Subbaraya Setty Plot No. 17, Motilal Nehru Nagar, Begumpet, Hyderabad (Business)	Sd/-	

Place : Secunderabad
Date : 12th January, 1993