

UNDER THE COMPANIES ACT, 1956  
(1 OF 1956)  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF  
**VSF PROJECTS LIMITED**

**GENERAL**

1. Regulations contained in Table A in the First Schedule to the Act shall apply so far as they are no inconsistent with any of the provisions contained in these regulations and also those for which no provision have been made in these Regulations.
2. In these regulations:  
Unless the context otherwise requires
  - (a) The word or expression contained in these Regulations shall bear the same meaning as in the Act or ay statutory modifications thereof
  - (b) "The Company" or "This Company" means **"VSF PROJECTS LIMITED"**
  - (c) The "Act" means Companies Act, 1956 or any statutory modifications or reenactments for the time being in force including Rules framed under the different sections.

Application of Table A in  
Schedule 1 of the Act  
extension of

Interpretation Clause

"The Company" or  
"This Company"

"The Act"

(d) "The Seal" means the Common seal of the Company.

"The Seal"

(e) "Dividend" includes bonus

"Dividend"

(f) "In writing" and "Written" include printing lithography and other modes of representing or reproducing, words in a visible form.

"In writing &  
written"

(g) "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.

"Member"

(h) "Month" Means a Calendar month.

"Month"

(i) "Office" Means the Registered office for the time being of the Company.

"Office"

(j) "Paidup" includes credit as paid up.

"Paid up"

(k) "Person" includes Corporations, Societies & individuals.

"Person"

(l) "The Registrar" means the Registrar of Companies having jurisdiction over the Company.

"Registrar"

(m) "Secretary" includes a Temporary Assistant Secretary and any person or persons appointed by the Board to perform any of the duties of a Secretary subject to Sec. 383 A of the Act.

"Secretary"

(n) Words imparting "Singular Number" include, where not the context admits or requires, the plural number and vice versa.

"Singular Number"

(o) "Year" means the calendar and "Financial Year" shall have the meaning assigned thereto by Sec.2(17) of the Act.

"Year and Financial  
Year" "Gender"

(p) Words imparting the masculine gender also include feminine gender and vice versa.

"Marginal Notes"

(q) "Marginal Notes" used in these Articles shall not affect the construction or interpretation thereof. Save as aforesaid any words expressions defined in the Act shall if not inconsistent with the subject or context bear the same meaning in these Articles

### SHARE CAPITAL

3. # a) The Authorised Share Capital of the Company shall be as mentioned in clause V of the memorandum of Association of the Company.

"Amount of Capital  
& Division of  
Capital"

***# Clause 3 a of the Articles of Association has been altered by way of special resolution passed by the members in the Thirtieth Annual General Meeting of the Company held on 12<sup>th</sup> November, 2022***



*B. S. Reddy*

(b) The Company shall have power to issue Preference shares including redeemable preference shares in accordance with the provisions of Sec.80 and 85 of the Act.

"Power to issue Preference including redeemable preference shares"

(c) Where at any time subsequent to the first allotment of shares it is proposed to increase the subscribed capital by 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 those directions, such new shares shall be issued in accordance with the provisions of Sec.81 of the Act.

"Further issue of share capital subsequent to the first allotment of shares"

· **Amended Vide Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh vide its Certified Order Copy Dated 08.12.2009.**

(d) The Company shall have power to issue shares at a discount, but in doing so, the Company shall comply with the provisions of Sec.79 of the Act

"Power to issue shares at discount"

(e) The Company shall have power to issue shares at a discount, but in doing so, the company shall comply with the provisions of Sec.79 of the Act.

"Power to issue shares at premium"

4. Subject to the provisions of these Articles, and the Act, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of them to such persons on such terms, conditions and at such time as the Board thinks fit and with full power to give any person the option to call for or allot shares of any class of the Company either at premium or at par at a discount and such option exercisable for such time and for such consideration as the Board thinks fit.

"Shares under control of Board"

Provided that an option or right to call off shares not be given to any person except with the prior sanction of the Company in the General Meeting.

5. Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company as payment or part for any property or assets of any kind whatsoever (including goodwill of any business) sold or transacted, goods or machinery or know how supplied for services rendered to the Company either or about the formation or promotion of the Company or 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 shares as aforesaid. The Directors shall cause returns to be filled of any such allotments as provided by Sec.75 of the Act.

"Directors may allot shares at fully paid up"

**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 issuing new shares:

"Increase or share capital"

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

"Consolidation and division of shares"

c) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that is the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as, it was in the case of the share from which the reduced shares is divided.

"Subdivision of shares"

d) Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken y any person and diminish the amount of its share capital by the amount of the shares so cancelled provided however the cancellation of shares in pursuance of the exercise of this power shall not be deemed to be a reduction of share capital within the meaning of the Act.

"Cancellation of shares "

2. The powers conferred by this regulation shall be exercised by the Company in general meeting and shall not require to be confirmed by the Court.

"Above powers to be exercised in General Meeting"

7. The Company shall have power:

a) To reduce any shares premium account or its share capital in accordance with the provisions of Sec.78 read with Sec.100 of the Act.

"Reduction of share premium account or share capital"

b) To reduce any capital redemption reserve account in accordance with Sec.80 read with Sec.100 of the Act.

"Reduction of Capital redemption reserve"

## 8. PAYMENT OF COMMISSION AND BROKERAGE

a) The Company may exercise the powers of paying commission provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by Sec.76 of the Act.

"Disclosure of the rate of Commission"

b) The rate of commission shall not exceed the maximum percentage provided for in Sec.76 of the Act.

"Maximum rate of commission"

c) The Commission may be satisfied by payment of cash or by the allotment of fully or partly paid up shares or partly in one way and partly in the other.

"Commission how paid"

d) The Company may also, on any issue of shares and debentures pay such brokerage as may be lawful and reasonable as per the provisions of the Act.

"Power to pay Brokerage"

## **9. VARIATION OF SHAREHOLDERS RIGHTS**

- a) 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 be subject to the provisions of Sec.106 and 107 of the Act 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 special resolution passed at a separate meeting of the holders of the shares of that class.
- b) Subject to the provisions of Sec.170(2) (a) and (b) of the Act or any statutory modifications thereof, to every such separate General Meeting, the provisions of these Regulations relating to General Meetings shall mutatis mutandis apply 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.

“Application of rights to any class of shares how effected”

“Provisions relating to General Meetings how far applicable to Meetings of different class of shareholders, conditions under which rights conferred upon holders of shares of any class be varied by creation or issue of further shares.”

## **TRUSTS ENTRY IN REGISTER OF MEMBERS**

10. Subject to Sec.49 of the Act and without prejudice to the provisions of Sec.42(2) of the Act and or any statutory modifications thereof, 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 interests in any share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holders.

“Trust not ordinarily recognized”

## **CERTIFICATES**

11. a) i) The Certificate of the title of the share shall be issued under the seal of the Company and shall be issued, sealed and signed in conformity with the provisions of the Companies (issue of share certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force. Any two or more joint allottees of the owners of a share shall, for the purpose of this Article, be treated as a single member and the Certificate of any shares may be delivered to any one of such joint allottees or owners on behalf of them. The Company shall comply with the provisions of Sec.113 of the Act.
- ii) The Company shall, within two months after the allotment of any its shares, debentures, debenture stock, and within one month after the application for registration of the transfer of any such shares, debentures, or debenture stock, delivered in accordance with the procedure laid down in Sec.113 of the Act the certificate of shares, debentures, and certificate of debenture stocks allotted or transferred, unless the conditions of the shares, debentures or debenture stocks otherwise provided.

“Certificates of title to share”

- b) i) 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 of shares in respect of which it is issued, and the amount paid up thereon or credited thereto. "One certificate for all shares"
- ii) Share Certificates shall be generally issued in market lots and where share certificates are issued in other than market lots, sub-division, and consolidation of share certificates into market lots shall be done by the Company free of charge. "Market Lots"
- c) If any certificate be worn out, defaced, destroyed or lost, a new one or 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. "Issue of a new certificate in lieu of one defaced, lost or destroyed"
- d) i) No fee shall be charged for the issue of new share certificates in replacement of those certificates which are defaced, old, worn out, decrepit or where cages on the reverse side share certificates are completely exhausted. "No fee for new certificates"
- ii) No fee shall be charged for the following for split, consolidation, renewal and pucca transfer receipt into denominations corresponding market units of trading or for sub-division of renounceable letter of rights or for registration of any Power of Attorney, Probate, Letter of Administration, or Death certificates or for similar other documents.
- iii) However , a fee of Rs.1/- shall be charged in respect of new certificate issued for reasons other than those mentioned in 11(d) (i) and 11(d) (ii) above, besides the out – of – pocket expenses incurred by the Company investigating evidence or Indemnity required by the company.
- e) In respect of any share or shares held jointly by several persons, the delivery of certificate for shares to one of several joint share holders shall be sufficient delivery to all such shareholders. "Issue of certificate in case of joint shareholders"

### **CALL ON SHARES**

12. a) 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. "Cells and Revision thereon"
- Provided that no call shall exceed one half of the nominal value of shares.
- ii) Each member shall, subject to receiving at least thirty 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. "Notice of call"

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| <p>iii) a) A call may be revoked or postponed at the discretion of the Board.</p> <p>b) A call shall be deemed to have been made at the time when the resolution of the Board of authorizing the call was passed and may be required to be paid by installments.</p> <p>c) The joint holders of share shall be jointly and severally liable to pay all calls in respect thereof.</p> <p>d) i) If a sum called in respect of a share is not paid on or before the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from its day appointed for payment of 12% (Twelve Percent) per annum or at such a lower rate, if any, as the Board may determine.</p> <p>ii) The Board shall be at liberty to waive payment of such interest wholly on in part.</p> <p>e. 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 purpose of these regulations, be deemed to be a call duly made and payable on the date on issue such sum becomes payable, provided, however, not withstanding anything in the provision Article 12(a) (i) above, such sum may exceed one half of the nominal value of the share.</p> <p>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 sums had become payable by virtue of a call duly made and notified.</p> <p>f) The Board may, if it thinks fit, receive from any member willing to pay in advance, all or any part of the money due upon the shares held by him beyond the sums actually called for. The Company may pay interest at a rates not less than 15% on the calls paid in advance and accepted in excess of the amount of calls. They shall, not rank for dividends or confer a right to vote or participate in profits until the same would but for such payment, become presently payable. The Board may at any time repay the amount, so advanced upon giving to such members three months notice in writing.</p> | <p>“Revocation and Postponement of call”</p> <p>“When call deemed to be made”</p> <p>“Liability of Joint holders”</p> <p>“Interest payable on call if not paid in time.”</p> <p>“Power of the Board to waive payment of Interest”</p> <p>“Sums payable on allotment deemed to be calls”</p> <p>“Effect of non payment”</p> |
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### **LIEN**

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| <p>13. a) The Company shall have a 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 thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and conditions that Article 10 thereof will have full effect. And such lien shall extend to all</p> | <p>“Lien on shares”</p> |
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dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of transfer of shares will operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any declare any shares wholly or in part to be exempt from the provisions of this clause.

- b) The Company may sell, in such manner, as the Board may thinks fit, any shares on which the company has al lien:

"Power of sale of shares on which there is a lien"

Provided that no sale shall be made:

- i) Unless the sum in respect of which the lien exists is presently payable; or

- ii) Unless the expiration of fourteen days after a notice in waiting stating and demanding payment of such a part of the amount in respect of which the lien exists as is presently payable has been given to the registered holders for the time being of the share or the person entitled at there to by reason of his death or insolvency.

"Period after which the sale to be effective in the case of registered holders"

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

"Transfer of shares subject to lien"

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

"Purchaser to be registered as shareholder"

- 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 irregularity or invalidity in the proceedings in reference to the sale.

"Purchaser's title unaffected"

- d) i) 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.

"Application of proceeds of sale"

- ii) The residue, if any, 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 issue.

"Excess of sale proceeds to be paid as shareholders"

- e) No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised any right of lien.

"Restriction on exercise of voting right of members who have not paid calls etc., "



## FORFEITURE OF SHARES

14. a) If a member fails to pay a call or installment of a call on the day “Registered unpaid call” 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 such member requiring payment of so much of call or Installments as is unpaid, together with any interest which may have accrued.
- “Form of Notice” “Date
- b) The notice aforesaid shall:
- i) name a further day (not being earlier than expiry of fourteen days from the date of service of the notice) on or before which the payment of required by the notice is to be made and of payment” “Effect of
- 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. non payment”
- c) 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 anytime, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to the that effect. “Forfeiture of shares”
- d) i) A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit. “Disposal of forfeited shares”
- ii) At any time before a sale of disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. “Powers to cancel forfeiture”
- e) i) A person whose shares have been forfeited shall ceases to be a member in respect of the forfeited shares, but shall not withstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture presently payable by him to the Company in respect of the shares. “Liability of forfeiture”
- ii) The liability such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. “Liability when ceases”
- f) i) 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. “Declaration of forfeiture of shares to be conclusive evidence
- ii) The Company may receive the consideration, if any, 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 disposal of. “Company to transfer shares on disposal”

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| iii) | The transferee shall thereupon be registered as the holder of the share.  | “Transferee’s to be shareholder”   |
| iv)  | The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.  | “Transferee’s title unaffected”  |
| 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. | “Application of forfeiture provisions to sum payable otherwise than on calls |
| h.   | The forfeiture of shares 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 incidental to the share except only such of those rights as by these Articles are expressly saved.  | “Effect of forfeiture”   |

#### TRANSFER AND TRANSMISSION OF SHARE

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| 15.   | In registering a transfer and transmission of shares, the Company shall comply with the provisions of the Act or any statutory modifications thereof.   | “Certain provisions of the Act to be complied with in registering transfer and transmission of shares |
| 16.   | a) In instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee is entered in the Register of Members in respect thereof.  | “Who is to execute transfer of shares”  |
| b) i) | Shares in the company shall be transferred in the form prescribed by the Companies (Central Government) General Rules and Forms, 1956. The instrument of transfer shall be in writing and all the provisions of Sec.108 of the Act and of any statutory modifications thereof for the time being shall be complied with in respect of all transfer of shares and registration thereof.                                | “Form of Transfer”  |
| ii)   | The Company shall issue Certificated within one month of the date of acknowledgement of transfer, sub-division consolidation, renewal, exchange or endorsement of calls / allotment monies.   |   |
| iii)  | The Company shall no charge any fee (a) for Registration of Transfers, sub-division and consolidation of shares and debentures, certificates and for letters of allotment; (b) for sub-division of renounceable letters of rights; (c) for issue of new certificates in replacement of those which are old, decrepit or worn-out, or where the cages on the reverse for recording transfers have been fully utilized; |   |

and (d) for registration of any Power of Attorney Probate, letters of administration or death certificates or similar other documents.

- c) Subject to the provisions of Sec.111 of the Act and Sec.22A of Securities Contracts (Regulation) Act, 1956, the Board may in their absolute and unqualified discretion decline to register any transfer of shares without assigning any reason and send notice of refusal within one month to both the transferor and the transferee. The Board may also decline to recognize any transfer where.

"When the Board may decline to register transfer of shares"

i) the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the share has not been delivered to the Company or that any other requirement of the law relating to the registration of such transfer has not been complied with, or

ii) the transfer of the shares is likely to result in such a change in the composition of the Board of Directors as would be prejudicial to the interest of the company or to the public interest; or

iii) the transfer of shares is prohibited by any Court, tribunal or any other authority under any law for the time being in course, or

iv) the transfer of shares on which the Company has a lien, provided that the registration of transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person is indebted to the Company in any manner whatsoever, except a lien on the shares.

- d) Subject to the provisions of Sec.154 of the Act, the Registration of transfer may be suspended at such time and for such periods as the Board may from time to time determine not exceeding thirty days at a time and not exceeding in the aggregate 45 days notice is given in terms of the listing agreement.

"Power of Board to suspend the registration of transfers"

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 sole holder shall be the only person recognized by the Company as having any title to his interest in the shares.

"Transmission of shares title of legal representative on death of holder"

- ii) Nothing in Clause (I) shall release the estate of the deceased joint-holder from any liability in respect of any share which had been jointly held by him or other persons.
- b) 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:
- i) to be registered himself as holder of the share or
- ii) to make such transfer of the share at 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 has transferred the share before his death or insolvency.
- c. i) If the person 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.
- iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of share shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member has not occurred and the notice or transfer signed by that member.
- d. A person becoming entitled to a share by reason of death, 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 it be entitled 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 moneys, payable in respect of the share until the requirements of the notice have been complied with.
- "Liability in respect of the estate of the deceased joint holder"
- "Rights of person entitled to shares on death or insolvency of shareholder"
- "Board's right to decline or suspend registration in cases of transfer by legal representatives"
- "Conditions to be fulfilled such a person electing to be shareholder or to transfer of shares"
- "Procedure in electing to transfer of shares "
- "Extent or applicability of regulation 16 to transfer of share effected by legal representative"
- "Dividend and voting power of persons entitled to a share on death or insolvency of a member"

### **BORROWING POWER**

18. a) The Directors may, from time to time, at their discretion, by means of a resolution passed at their meeting borrow, or secure the payment of any sum or sums of money for the purpose of the Company, provided that the Directors shall not contravene the provisions of the Act.

“Borrowing powers and limitations thereof”

Provided further that no debt incurred or security given in the excess of limit imposed by the Act 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 has been or was hereby exceeded.

- b) The Director may raise, or secure the repayment of, any sum or sums in such manner and upon such terms and conditions in all respects as they may think fit and in particular by creation of any mortgage or charge on a whole or any part of the property of the Company, present or future, or on the uncalled capital of the company or by the issue of bonds, debentures or debenture-stock of the Company, perpetual or re-deemable, charged upon all or any part of the property of the company, both present and future, including its uncalled capital for the time being.

“Conditions and manner in which money may be borrowed”

- c) Subject to the provisions of the Act and Companies (Acceptance of Deposit) Rules, 1975 the Directors may receive deposits on such terms and bearing interest at such rates as the Directors may decide from time to time. The deposits may be received from any person or persons including the Directors and the shareholders of the Company.

“Deposits”

- d) The Directors shall cause a proper register to be kept in accordance with the provisions of the Act or 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 the Act shall be open during business hours, subject to 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 to any other person on payment of a fee Rs.1/- for each inspection at the Registered Office of the Company.

“Register of charges”

### **DEBENTURES**

19. The Company shall have power to issue debentures in accordance with the provisions of the Act.

“Power to issue debentures”

Debentures, Debenture-stock, Bonds or other securities conferring the right to allotment of or conversion into shares or the option of right to call or allotment of share shall not be given except with the sanction of the Company in General Meeting.

“Debentures”

### GENERAL MEETING

20. a) All General Meeting other than the Annual General Meeting of the Company shall be called Extra-ordinary General Meetings. "Extra ordinary General Meeting"
- b) The Board may, whenever it thinks fits call an Extra-ordinary General Meeting. "Who may call Extra ordinary General Meeting"
- c) If at any time there are not within India Directors capable of acting, who are sufficient in number to form a 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.
- d) Extraordinary General Meeting may be called by the members under the provisions of Sec.169 of the Act, and under conditions mentioned therein. "Extra ordinary General Meeting"

### A) NOTICE FOR GENERAL MEETINGS

- 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 Sec.171 (2) of the Act. "Period of notice"
- 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 consequence 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 Sec.172 of the Act. "Accidental omission not to invalidate meeting"
- 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.

### B) CONTENTS OF NOTICE

22. a) Every notice of meeting of the company shall: "Contents of notice"
- i) Specify the place, date and time of the meeting; and
  - ii) Contain a statement of the business to be transacted thereat.
- b) The form of proxy shall be a 'two-way-proxy' as given in IX Schedule of the Companies Act, 1956, enabling the share holders to vote for / against any resolution. "Matters relating to proxies"
- c) The Company shall, in the case of a 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 as a special resolution. "Special resolution and notices thereof"

d) The Company shall on compliance with Sec.190, 225, 262 and 284 of the Act, give 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.

"Resolution requiring special notice"

e) Subject to the provisions of Sec.225 and 284 of the Act, the receipt of representation, if any, made under Sec.225 of the Act by a retiring Auditor or under Sec.284 by a Director sought to be removed from office as a Director, must be stated in the notice of meeting given to the members of the Company, if the representations are received in time.

"The fact of the receipt of representation made u/s 225 & 284"

**C. DOCUMENTS TO BE ANNEXED TO THE NOTICE**

23. a) Where any items of business to be transacted at the meeting are deemed to be special in accordance with the provisions 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, shall, be annexed to the notice of the meeting.

"Statement u/s 173(2)"

b) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement mentioned above.

"If business consists of accordance of approval of documents"

c) A copy of every balance sheet including the Profit & Loss A/c, the Auditors' Report and every other document required by law to be annexed or attached, as the case may be, to the balance sheet which is to be laid before the Company in General Meeting shall not be less than twenty one days before the date of the meeting, be sent to every member of the Company in accordance with the provisions of Sec.219(1) of the Act.

"Copy of Balance sheet, documents etc."

24. A copy of the representations, if any, made under section 225 of the Act by a retiring Auditor or under section 284 of the Act by a Director sought to be removed from office, shall be sent to the members of the Company as provided for in Sections 225 and 284 of the Act.

"Documents to be sent through not annexed to notice"

25. Subject to the provisions of Sec.188 of the Act, member's resolution shall be circulated to the members of the Company entitled to receive notice of the Annual General Meeting.

"Circulation of member's resolution"

26. The Company shall, duly keep and maintain all the Registers at the Registered Office in accordance with the provisions of the Act.

"Documents, registers to be maintained at the registered office and inspection thereof."

Where, under any provisions of the Act, any person whether a member of the Company or not, is entitled to inspect any register, return, certificates, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 11.00 A.M. to 1 P.M. on such business days as the Act requires them to be open for inspection.

The Company may, after giving not less than 42 days previous notice by advertisement in some newspapers, circulating in the districts of the office, close the register of members, or the register of debenture-holders, as the case may be, for any period or periods not exceeding 30 days at any one time.

#### **D) REPRESENTATION AT MEETINGS**

27. a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a member of the company, by a resolution of its Board of Directors or other governing body, authorise such person as it thinks fit, to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company.

"Representation at meeting of by a body corporate"

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.

"Right and powers of such representatives"

28. a) Any member of the Company entitled to attend and vote at a 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 no 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 a poll.

"By Proxies"

b) The instrument appointing a proxy and the power of attorney or authority, if any, under which it is signed or a notarially 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 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 appointed time for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

"Deposit of instrument of proxy and the time for deposit"

c) An instrument appointing a proxy shall not be questioned, if it is in the form of a two-way proxy as set out in Schedule IX of the Act.

"Validity of form of proxy"

d) 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 shares in respect of which the proxy is given.

"Continuance of the validity of proxy inspite of death etc., of principal, if notice 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 or adjourned meeting at which the proxy is used.

- e) Every member entitled to vote at a meeting of the Company or on any resolution to be moved thereat shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and the 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 3 days notice in writing of the intention so to inspect is given to the Company.

"Members right of inspection of proxies"

#### **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. 5 Members present in person shall be a quorum.

"Quorum needed and the number of form the quorum"

- b) If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present, the meeting if called upon the requisition of members, shall stand dissolved.

"Dissolution of meeting"

- c) If 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.

"Adjournment of Meetings"

- 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, not being less than 2, shall be a quorum.

"Quorum at adjourned meetings"

#### **F. CHAIRMAN OF MEETINGS**

30. a) The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company.

"Chairman of the Board to preside"

- b) If there is no such Chairman, or if he is not present within 15 minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Director present shall elect one of their members of the Chairman of the Meeting.

"When Directors to elect Chairman"

- c) If at any meeting no Director is willing to act as Chairman or if no Director is present within 15 minutes after the time appointed for holding the meeting, the members present shall choose one of their own to be a Chairman of the meeting in accordance with the provisions of Sec.175 of the Act or any statutory modifications thereof.

"When Members to elect Chairman"

- 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 from place to place.

"Chairman's power and duty to adjourn the meeting"

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| 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.   | “Nature of Business at Adjourned meeting”                    |
| iii) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.  | “Fresh Notice required or 30 days or more”                   |
| iv) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at adjourned meeting.   | “Saving Clause”  |
| e) Any business other than that upon which a poll has been demanded may be proceeded with pending taking of the poll.  | “Other business to be transacted pending taking of the poll” |
| f) 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 any earlier date.   | “The date on which Resolution is to have been passed”        |
| 31. a) On a show of hands, every member present in person shall have one vote and on a poll, the voting rights of members shall be as laid down in Sec.87 of the Act   | “How voting right to be exercised”                           |
| b) Voting rights shall be exercised in accordance with the provisions of Sec.42, 87, 88, 89, 92, 117, 178,179, 180, 182, 183, 184 and 185 of the Act or any statutory modifications thereof and Regulation (c) hereunder read with Sec.181 of the Act.   |  |
| c) In the case of joint-holders, the vote of the senior who tenders vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. | “Joint – Holder”   |
| 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 committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.                        | “Vote in respect of a member of unsound mind”                |
| 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 the shares in the Company have been paid.  | “No voting right if calls or other sums due not 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 disallowed at such meeting shall be valid for all purpose.   | “Qualification of voter objection when to be raised”         |

- 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. In giving notice of an intention to propose a resolution as a special resolution the company shall have regard to the provisions of Sec. 17, 21, 25 (2), 31, 99, 100, 146, 208, 224A, 237, 309, 314, 323, 370 and 484 of the Act or any statutory modifications thereof.

"Matters in which special resolutions are required"

### **DIRECTORS AND BOARD OF DIRECTORS**

33. a) Unless otherwise determined by the Company in General Meeting. The number of Directors elected by the shareholders shall not be less than 3(Three) or more than 12 (Twelve) inclusive of the ex-officio Directors, Nominee Directors, Wholetime Directors, Technical Directors, Special Directors, Debenture Directors, Alternate Directors, Additional Directors, Corporate Directors, Co-opted Directors and Finance Director, if any.

"Number of Directors"

- b) Only an individual and not a body corporate, association, or firm shall be appointed Director of the Company.

"Only individuals to be Directors"

- c) Subject to the provisions of Sec.252, 255 and 259 of the Act, the company may in General Meeting reduce the number of Directors fixed by regulation 33(a).

"Right to increase or reduce the number of Directors"

- d) The following persons are the first Directors of the Company namely

- 1. B.N. MURTHY**
- 2. G.S. RAMACHANDRA RAO**
- 3. G. VENKATESWARA RAO**

- e) The Board of Directors may appoint one or more among them as Managing Director, Joint Managing Director, Wholetime Director(s) and fix the remuneration payable to such Managing Director(s) subject to the approval of the Central Government under section 269 of the Act and Schedule XIII of the Act.

- f) The Board of Directors shall have power to appoint Additional Directors provided such additional Directors shall hold office only upto the date of the 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.

"Additional Directors to be appointed by Board"

34. Subject to the provisions of Sec.262 of the Act or any statutory modifications thereof, the Board of Directors shall have power to fill up casual vacancies.

"Filling up casual vacancy among Director "

35. Subject to the provisions of the 313 of the Act or any statutory modifications thereof, the Board of Directors shall have power to appoint a person as Alternate Director during, the absence of any Director for a period of not less than three months in the state in which meetings of the Board are ordinarily held.

"Alternate Directors to  
appointed by Board"

36. Notwithstanding any thing to the contrary contained in these Articles so long as monies remain owing by the Company to the Andhra Pradesh State Financial Corporation (APSFC), Andhra Pradesh Development Corporation (APIDC), Industrial Development Bank of India (IDBI), Investment Corporation (ICICI) to any other Financing company Board or Body or Bank out of any loans granted by them to company or so long as APSFC, APIDC, IDBI, IFCI, ICICI or any other Finance Corporation or Credit Corporation or any other Financing company or body or bank (each of which APSFC, APIDC, IDBI, IFCI, ICICI or any other Financial Corporation or Credit corporation or any other Financing company or body or bank is hereunder in this article referred at as "the Corporation" hold shares in the company as a result of underwriting or direct subscription or so long as any liability of the company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, Whole-time or non whole-time which director or director's is/are hereinafter referred to as "Nominee Directors" on the Board of company and to remove from such office any such office such person or persons and appoint another or others in his or their places.

The Board of Directors of the company shall have no power to remove from office the Nominee Director(s). Also at the option of the Corporation, such Nominee Director(s) shall not be liable for retirement by rotation of Directors. The nominee Director(s) shall have the same rights and privileges and be subjected to the same obligations as any other director of the company. The Nominee Director(s) so appointed shall hold the said office only so long as monies remain owing by the Company to the corporation or so long as the Corporation holds shares in the company as a result of underwriting or direct subscription or the liability of the company arising out of the guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall if so facto vacate such office immediately the monies owing by the company to the corporation is paid off or on the corporation ceasing to hold shares in the company or on the satisfaction of the liability of 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 member(s) as also the minutes of such

meetings. The corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director(s) who are not wholetime Directors, sitting fee and expenses which the other Directors of the company are entitled, but if any other fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation the same shall accordingly be paid by the Company directly to the corporation. Any expenses that may be incurred by the corporation or such Nominee Director(s) in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director(s).

Provided that if any such Nominee Director(s) is an officer of the corporation, the sitting fee, in relation to such Nominee Directors shall also accrue to the Corporation and the same shall accordingly be paid by the company directly to the corporation.

In the event of the Nominee Director(s) being appointed as wholetime Director(s), such Nominee Director(s) shall exercise such powers and have such right as are usually exercised or available to a whole-time Director in the Management of the affairs of the Company such whole time Director(s) shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.

37. 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 Register his consent in writing to act as such Director.

"Consent of candidate for directorship to be filed with the registrar"

38. No Director shall be required to hold any share qualification.

"Share qualification of Directors"

39. The office of a Director shall be vacated in the circumstances stated in section 274 of the Act.

"Disqualification of Directors"

40. The company shall comply with the provisions of section. 297 and 299 of the Act, in entering into contracts with a Director.

"Contracts with Director and disclosure by interested Director"

41. Acts done by a person 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 provisions in the Act or in the Articles, provided that nothing in the Act shall be deemed to give validity to acts done by a Director after his appointment has been shown to the company to be invalid or to have terminated.

"Validity of acts of Directors"

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| 42. Every Director shall have such rights and powers as are provided for in Sec.209, 284, 286, 289 and 320 of the Act.   | "Rights of Directors"               |
| 43. Every Director shall discharge such duties as are provided for in Sec.270, 305, 308 and 393 of the Act or any statutory modifications thereof.   | "Duties of Directors"               |
| 44. Directors shall be subject to such civil liabilities provided for in Sec.275, 295, 300, 312, 314, 318, 319 and 320 of the Act or any statutory modifications thereof.  | "Liability of Directors"            |
| 45. Directors shall be subject to disabilities provided for in Sec.275, 295, 300, 312, 314, 318, 319 and 320 of the Act or any statutory modifications thereof.  | "Disabilities of Directors"         |
| 46. The office of a Director shall be vacated:   |                                     |
| <ul style="list-style-type: none"> <li>i) On the happening of any of the conditions provided for in Sec.283 of the Act or any statutory modifications thereof.</li> <li>ii) On the contravention of the provisions of Sec.314 of the Act or any statutory modifications thereof.</li> <li>iii) If a person is a Director of the more than 20 companies at a time.</li> <li>iv) If he is disqualified under section 270 of the Act or any statutory modifications thereof.</li> <li>v) In the case of alternate Directors, on return of the original Director, to the State, under the provisions of Sec.313 of the Act or any statutory modifications thereof.</li> <li>vi) On resignation of his office by notice in writing.</li> </ul>  |                                     |
| 47. Subject to the provisions of the Act, a Director may be appointed as Manager or Secretary of the Company.  | "Directors as Manager of Secretary" |
| 48. a) 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 multiple of three, then the number nearest to one third, shall retire from office.  | "Rotation of Directors"             |
| <ul style="list-style-type: none"> <li>b) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.</li> <li>c) 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.</li> <li>d) 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 a public holiday, till next succeeding day which is not a public holiday at the same time and place.</li> </ul> |                                     |

- e) If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed 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.
- f) A resolution, whether special or ordinary, is required for his appointment by virtue of any provisions of the Act.

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

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| <p>49. a) The Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meeting as it thinks fit, provided however the Board shall meet once in every three months in accordance with Sec.285 of the Act or any statutory modifications thereof.</p>   | <p>“Board when to meet”</p>                                     |
| <p>b) The Chairman or the Managing Director(s) may at any time, and shall, on the requisition of 2 Directors, summon a meeting of the Board.</p>  | <p>“Who can summon a meeting”</p>                               |
| <p>c) The Board shall cause notice to be circulated to every Director of the company who is for time being in India in accordance with Sec286 of the Act or any statutory modifications thereof.</p>  | <p>“Notice of meeting to be sent to every Director”</p>         |
| <p>d) The quorum for meetings of the Board shall be 2 Directors or 1/3 of its total strength whichever is greater as provided for Sec.287 of the Act.</p>   | <p>“Quorum for the meeting of the Board</p>                     |
| <p>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 for 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 for summoning a General Meeting of the Company, but for no other purpose.</p> | <p>“Procedure to be adopted if there is no Quorum”</p>          |
| <p>f) The questions arising at any meeting shall be decided by a majority of votes.</p>   | <p>“Questions at Board meeting how decided”</p>                 |
| <p>g) Save as otherwise expressly provided by 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 as valid and effective as if it had been passed at a meeting of the Board of Committee duly convened and held.</p>  |   |
| <p>h) All acts done at any meeting of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of Directors or persons</p>  | <p>“Acts of Board not notwithstanding defective appointment</p> |

acting as 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.

- i) The Company shall cause to be kept minutes of all proceedings at meetings of its Board of Directors or of committee of the Board. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. All appointments of officers made at any of the meeting aforesaid shall be included in the minutes of the meetings. 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 Director shall cause to be kept a Register of Directors in accordance with the provisions of Sec.303 of the Act. 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 Director's Shareholdings giving the particulars required by Sec.307 of the Act, and otherwise confirming to the provisions of the Section.

#### **GENERAL POWER OF THE BOARD OF DIRECTORS**

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

"General Powers and limitations thereon"

Provided that the Board shall not exercise any power 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 powers of doing any such or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other provision of law or the Memorandum of Association of the Company or these Articles or in any regulation not inconsistent therewith and duly made there under, 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.

"Provision against invalidation of prior acts of the Board"



#### SPECIFIC POWERS OF THE BOARD

51. 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 III of the Memorandum of Association of the company.
- b) To have the superintendence, control and direction over Managing Director's, Joint Managing Director, Executive Director, Manager's wholetime Directors and all other officers of the company.
- c) To delegate, subject to the provisions of the Act, any or all of the powers hereby conferred upon them, to the Managing Director's, Joint Managing Director, Executive Director, Manager's Wholetime Director or such person or persons shall have power to sub delegate such powers at their discretion.
  - i) Power to borrow money otherwise than on debentures.
  - ii) The power to invest the funds of the Company
  - iii) The power to make loans.

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

- d) To provide for the management of the affairs of the company in any specified locality in or outside India and to delegate to persons incharge 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 person to be the attorney of the company for such purposes and with such powers and discretion's (not exceeding those which are delegated 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 attorney, to sub-delegate all or any of the powers, authorities and discretion's (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.
- f) To acquire by lease, mortgage, purchase or exchange or otherwise property, rights or privileges which the Company is authorised to acquire, at any such price generally on such terms and conditions as the Board may think fit and to sell, let, exchange or otherwise dispose of absolutely or conditionally, any property, rights or privileges and undertakings of the Company upon such terms and conditions and for

"To carry out the objects and exercise such powers as given in clause of the Memorandum"

"To have superintendence, control direction over Managing Director etc."

"To delegate the powers"

"To provide for local Management"

"To appoint power of attorney"

"To acquire and dispose of property, rights, restrictions thereof"

such considerations as they think fit, subject, however, to the restrictions imposed on the Board by Sec.293 of the Act or any statutory modification thereof.

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| g) To open any account or accounts with such Bank or 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 negotiable instruments, to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the company to make contracts and to execute deeds. | “To open accounts, make contracts; execute cheques, handles, bills promissory notes etc.” |
| h) To appoint officer(s), clerks and servants for permanent, temporary or special service 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 instances and to such amount as the Board may think fit and to remove or suspend any such officers, clerks and servants.   | “To appoint officers”   |
| i) To sanction, pay and reimburse to the officers of the Company, in respect of any expenses incurred by them on behalf of the company.   | “To reimburse officers in respect of expenses”  |
| j) To invest and deal with any of the moneys of the Company, to vary or release such investments, subject to the provisions of Sections 42,49,77,292,293 and 295 read with Sections 370, 372 & 373 of the Act or any statutory modifications thereof.   |   |
| k) To refer claims or demands by or against the Company to arbitration in accordance with the provisions of the Sections 389 of the Act or any statutory modifications thereof and observe and perform any awards made thereon.   | “To refer to arbitration”   |
| 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 or satisfaction of any debt due and of claims or demands by or against the Company and to appoint Solicitors, Advocates, Counsel and other legal advisers for such purposes or for any other purposes and settle and pay their remuneration’s.                           | “To act in matters of legal proceedings”  |
| m) To act on behalf of the Company in all matters of insolvency in which the company is interested.   | “To act in matters of insolvency”   |
| n) To pay and give gratuity, pensions and allowances to any person including any Director, to his widow, children or dependents, that may appear to the Directors just or proper whether any such 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  | “To pay gratuity, pension etc.”   |

any funds and pay premium for the purchase of or make provisions for any such gratuity, pension or allowances.

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| 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.  | "To support or subscribe for charitable objects etc."                               |
| 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.   | "To set aside profits to form a fund"   |
| q) | To make and amend as and regulations concerning the manner of payment of the contributions of the employees and the Company respectively to any such fund and 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 the Directors shall from time to time think fit. | "To make and alter rules etc." "To pay gratuity, pension etc."                      |
| r) | To exercise the powers conferred by Sec.50 of the Act with regard to having an official seal for use abroad.   | "To provide for seal for use abroad"  |
| s) | To exercise the powers conferred on the company by Sec.157 & 158 of the Act with regard to the keeping of foreign registers.   | "To keep 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.  | "To authorize any person to sell or purchase any goods etc."                        |
| u) | To exercise other powers referred to under these regulations not specifically mentioned in this regulation but referred to in other regulations in these Articles.   | "To exercise powers referred to in other regulations"                               |
| v) | To delegate any or all of the powers hereby conferred upon them to such person or persons as they may from time to time think fit.   | "To determine by resolution the name of person to do acts on behalf of the Company" |
| w) | To reopen the account in consultation with the Company's Auditors for correcting or interpretation mistakes by calling for an Extraordinary General Meeting.   |   |
| x) | To recommend for distribution realised surplus arising out of revaluation of Fixed Assets.   |   |
| y) | To apply for a Telephone, Telex and Grams for the Company.   |   |

52. Subject to the provisions of Sec.316, 372 and 386 of the Act which require unanimous resolution of the Board of Directors, other questions arising at any meeting of the Board shall be decided for a majority of votes.

"Questions to be decided by majority of votes except under three sections requiring unanimous resolution"

53. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members, at their usual address in India and has been approved by such of the Directors or Members, or by a majority of such of them as are entitled to vote on the resolution.

"Passing of resolution by circulation"

#### **RESTRICTIONS ON THE POWERS OF BOARD**

54. a) The Board shall not exercise the powers referred to in Sec.293 of the Act without the consent of the Company in General Meeting and only to the extent mentioned therein or any statutory modifications thereof.

"Disposal of the undertaking of the Company etc. referred to in Section 293"

b) In the appointment of sole selling agents for the Company for any area, the Board shall conform to the provisions of Sec.294 and 294-A of the Act or any statutory modifications thereof, and the Companies (Appointment of Sole Selling Agents) Rules, 1975.

"Restrictions on powers of Board in the appointment of selling agents"

c) In giving loans to Directors and other persons mentioned in Sec.295 (1) of the Act, the Board shall conform to the provisions of that section or any statutory modifications thereof.

"Restrictions on the Board in giving loans etc."

#### **MANAGEMENT**

55. The Managing Director(s) shall be responsible for carrying on and conducting the business of the Company subject to the supervision, direction and control of the Board of Directors. In the conduct and management of the said business, the Managing Director(s) may exercise such powers, authorities and discretion's, as may, from time to time, be vested in them under an agreement or delegated to them by the Board of Directors.

"Powers of Management vested in the Managing Director"

#### **SECRETARY**

56. The company shall, subject to the provisions of the Act, appoint a Secretary.

"Secretary"

57. The Managing Director(s), Joint Managing Director, Executive Director, Wholetime Director(s) of the company, may subject to the provision of Sec.198,309, 310 and 311 read with schedule XIII of the Act, receive remuneration either by way of monthly payment or by way of specified percentage not exceeding 5% of the net profit of the company calculated in the manner laid down in Sec.349 and 350 of the Act or partly by the one way and partly by the other.

"Remuneration of Managing Directors(s) payable either by Monthly or percentage of profits or both"

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| 58. The Directors shall from time to time decide their own remuneration for the attendance of the Board Meeting Rules & Regulations prescribed in Sec.310 of the Companies Act, 1956.  | “Board Meeting fee of Directors & Chairman”   |
| 59. The Directors may fix a fee to be paid to any Director for attending a meeting of the Sub-Committee but it shall in no case exceed Rs.250/- per meeting subject to the provisions of Sec.310 of the Act.   | “Sub-Committee Meeting Fee”                   |
| 60. 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 Company’s business.   | “Travelling & Daily Allowance of Directors”   |
| 61. If any Director being willing, shall be called upon to perform extra services or to make any special exertions or in negotiating or carrying into effect any contract or arrangements by the Company, otherwise for any purpose 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 Act. | “Remuneration of Directors for extra service” |

#### AUDIT

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| 62. Auditor(s) shall be appointed and their duties regulated in accordance with Sec.224 to 231 of the Act, both inclusive, or any statutory modifications thereof. | “Appointment of Auditors and Regulation of their duties” |
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#### SEAL

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| 63. 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.   | “Seal of the Company” |
| 64. The Seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorised by it in that behalf. Every instrument to which the seal is affixed shall be signed by 2 Directors of whom the Managing Director is one and other officer appointed by the Board for that purpose. |                       |

#### DIVIDENDS AND RESERVE

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| 65. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.  | “Declaration of Dividends”           |
| 66. 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.  | “Payment of interim Dividends”       |
| 67. a) The Company shall transfer to reserve such percentage of profits for the year as prescribed under companies (transfer of profits to reserve) Rules, 1975 as amended from time to time. | “Reserve “Declaration of Dividends”” |
| b) The Board may also carry forward any profits, which it may think prudent not to divide.  | “Power to carry forward profits”     |

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| 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 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 shares.  | "Dividends only from profits"                           |
| d)     | No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this regulation as paid on the shares.  | "Amount paid in Advance of Calls"                       |
| e)     | All dividends shall be appointed and paid proportionally 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.   | "Distribution of Dividends"                             |
| 68.    | 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.  | "Deduction from Dividends"                              |
| 69. a) | Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus and Board shall give effect to the resolution of the meeting subject to the provisions of the Act.   | "Date of payment of dividend or Bonus"                  |
| b)     | Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates, and fix the value for distribution of such specific assets or any part thereof and 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 assets in trustees as may seem expedient to the Board. | "Power of the Board to Distribute Dividend"             |
| c)     | Any dividend interest or other moneys 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 joint holders, to the registered address of that one of the joint holder 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.  | "Payment by warrant"                                    |
| d)     | Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.   | "Warrant payable to whom"                               |
| e)     | Any one of the two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such shares.   | "Receipts for dividends etc. in cases of joint-Holders" |
| 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.   | "Notice of Dividends"                                   |

g) No dividend shall bear interest against the Company.

"No Interest on Dividends"

70. 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 member, be set-off against the call. The making of a call under this clause shall be deemed ordinary business of an Annual General Meeting which declares a dividend.

"Dividend and call together Set-off allowed"

71. No dividend should be paid in respect of any share except to the members registered in respect of such share or to his order. A transfer of share shall not pass the right not an dividend declared thereon before the registration of the transfer by the Company.

"Dividend to be paid to Members only"

72. The Board shall transfer the unpaid dividends in accordance with the provisions of the Act and also as contained in Companies Unpaid Dividends (Transfer to General Reserve of Central Government) Rules, 1978 as amended from time to time. No unclaimed dividend shall be forfeited by the Board of Directors of the company unless it becomes barred by law.

"Unpaid or unclaimed Dividends"

The Company shall comply with all provisions of Sec.205A of the Act.

#### **CAPITALISATION OF PROFITS**

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

- i) that it is desirable to capitalise 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
- ii) that such sum be accordingly set free for distribution in the manner specified in clause (b) 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, subject to the provisions contained in clause (c) in or towards:

"Mode of payment"

- 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 of the Company to be allotted and distributed, credited s, fully paid-up, to and amongst such members in the proportions aforesaid: or
- iii) Partly in the way specified in sub clause (i) and partly in that specified in sub – clause (ii).

- c) A share premium account and a capital redemption reserve account may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- "Application of share premium accounts and Capital Redemption Reserve Fund"

74. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- "Board to give effect to the Resolutions"

- a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- "Board to give effect to the Resolutions"

i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and make allotments and issue fully paid shares, if any; and

ii) Generally do all such acts and things required to give effect to such a resolution.

- 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 of shares becoming distributable in fractions; and

"Board's power in cases of fractions, Distribution of Shares or Debentures"

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 to which they may be entitled upon such capitalisation or (as the case may 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 accounts or any part of the amounts remaining unpaid on their existing shares.

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

"Effect of Agreement"

#### **ACCOUNTS**

75. The Company shall comply with the provisions of Sec.209 to 221 of the Act with regard to the keeping of accounts, preparation of Balance Sheet and Profit & Loss Account.

"Keeping of accounts and preparation of Balance Sheet etc."

76. 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 accounts and books of the company or any of them shall be open to the inspection of members not being Directors.

"Inspection by Members"

b) 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 the regulation or authorised by the Board or by the Company in General Meeting.



77. Subject to Article 51(w), the accounts prepared by the Directors, when audited and approved by an Annual General Meeting, shall be conclusive.

"Accounts when conclusive"

#### **WINDING UP**

78. If the company shall be wound up, and the assets available for distribution among the members as such, shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up, at the commencement of 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 the whole of to repay the capital paid up at the commencement 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. But this clause is to be have been paid up on the shares held by them respectively, without prejudice to the rights of the holders issued upon special terms and conditions.

"Distribution of Assets"

79. If the company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the contributors, in specie or kind, any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidators, with the like sanction, shall think fit, but that no member shall be compelled to accept any shares or other securities whereon there is any liability.

"Distribution of assets in specie"

#### **SECRECY**

80. Every Director, Secretary, Manager, Auditor, Trustee, Member or Committee Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall before entering upon the duties sin a declaration pledging himself to observe strict secrecy respect all transactions of the Company with consumers and the state of accounts with individuals and in all matters, relating thereto and shall by such declaration pledge himself not to reveal any of the matters 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 shareholders 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.

"Declaration to observe Secrecy"

81. Any Director or office of the company shall be entitled, if he thinks fit, decline to answer any question concerning the business of the Company which maybe put to him on any occasion including any meeting of the Company on the ground that the answer to such questions would disclose or tend to disclose the trade secret of the Company.

"Right to decline to answer question concerning Business"

82. 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.

"Dismissal without Notice in case secrets disclosed"

#### **INDEMNITY**

83. 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 duty of the Directors to pay out of the funds of the Company costs, losses and expenses (including travelling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by such Directors.
- b) Subject to as aforesaid every Director, Manager, Secretary or other officer of the company shall be indemnified against any liability incurred by him defending any proceedings, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or in connection with any application under Sec.633 of this act in which relief is given to him by the Court.
84. 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 or expense happening to the Company through the insufficiency, or deficiency of title to any property acquired by order of the Directors for on behalf of the Company, or for the sufficiency or deficiency on any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, 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 relation thereto unless the same happens through his own dishonesty.

Sl.No.	Name, Address, Description & with occupation of subscribers with their signature(s)	Name, Address, Description of occupation of witness
1	BOBBA NARAYANA MURTHY S/o Ranga Rao , Plot No.2, Krishna Nagar Colony, Suryapet – 508 213, Nalgonda Dist Occ: Business	A.V. RAMANA REDDY S/o Late A.V. Bala Ramireddy 5-9-22/33B, Adarsha Nagar Hyderabad – 500 463 CHARTERED ACCOUNTANT
2	KOGANTI BASAVA KUMAR S/O Kutumba Rao, Tamirsha Village, Nandiada Mandalam Krishna District Occ: Business	
3	GARIKAPATI VENAKTESWARA RAO S/o Chenchaiiah H.No.6-2-117, Behind ZP Quarters Khammam Occ: Busieness	
4	R. PRABHAKAR S/o Satyanarayana 11-3-34, Nehru Nagar colony Khammam Occ: Busienss	
5	A. MALLIKHARJUNA RAO S/o Venkateswara Rao 11-4-72/3, Nehru Nagar Khammam Occ: Business	
6	C.R. PEDDINENI S/o Lakshmi Narasaiah 5-67/1, Chaitanyapuri Hyderabad Occ: Business	
7	G.S. RAMACHANDRA RAO S/o Satyanarayana 25/668, MIG-II, KPHB Colony Hyderabad – 500 872	

	Occ: Private Service	
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Place: Hyderabad

Date : 18.05.1992