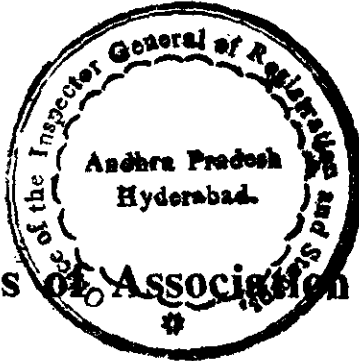


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certificate u/s 42 of G.S. Act II of 1899
 File NO: S2/28638/80 Dt. 27.10.1980.

I hereby certify that the proper
 stamp duty of Rs. 150=00 (Rupees One hundred
 and fifty only) has been levied in respect
 of this document from Sri Y. Kamesh of
 Hyderabad.

Office of the Inspector
 General of Registration and Stamps
 Andhra Pradesh, Hyderabad.



101/27.10.80
 Asst. Inspector General of Registration
 & Stamps, A.P., Hyderabad.

Articles of Association

of

GEM CABLES & CONDUCTORS LIMITED



I. PRELIMINARY

1. Save as reproduced herein, the regulations contained in Table A in the first schedule to the Companies Act, 1956 shall not apply to the Company.

Table "A," not applicable

2. The Provisions of the Companies Act, 1956 and/or any statutory modification thereof at any time shall apply to the Company. Where in the construction or interpretation of any of the following regulations it is found that the same are inconsistent or repugnant to the provisions of the aforesaid Act, the provisions of the Companies Act, 1956 with any statutory modifications thereof shall apply.

Interpretation

The marginal notes hereto shall not affect the construction hereof, in these presents, unless there is something in the subject or context inconsistent there with.

Words and expressions contained in these regulations shall bear the same meaning as in the Companies Act, or any statutory modification thereof.

"The Company" means GEM CABLES & CONDUCTORS LIMITED.

"The Act" means the Companies Act, 1956.

"The Office" means the registered office for the time being of the Company.

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 Registrar.

"The Register" means the Register of Members to be kept pursuant to the said Act.

"Proxy" includes Attorney duly constituted under a power of attorney.

"Dividend" includes Bonus.

"Month means English calendar month.

"Year" means English calendar year.

"In writing" or "written" means and includes words printed, lithographed, represented or reproduced in any mode in a visible form.

"The Directors" means the Directors for the time being of the Company and includes alternate Directors.

"Executor" or "Administrator" means a person who has obtained probate or Letters of Administration, as the case may be, from some competent Court having effect in India and shall include an Executor or Administrator or the holder of a certificate, appointed or granted by such competent Court and authorised to negotiate or transfer the shares of the deceased member.

Words importing the singular number include the plural and vice versa.

Words importing person include "corporation" words importing the masculine gender shall include the feminine gender and vice versa.

II. SHARES

Division of Capital

3. The ^{Authorized} Share Capital of the Company is Rupees Twenty Five Lakhs, divided into 25,000 Equity Shares of Rupees Hundred each, with the rights, privileges and conditions attached thereto as are provided by the regulations of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach there to respectively subject to the laws for the time being in force, such rights, privileges or conditions as may be determined by or in accordance with regulations of the Company and to vary, modify, abrogate, any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

Share at a discount

4. With the previous authority of the Company in General Meeting and the sanction of the Court and upon otherwise complying with section 79 of the Act, it shall be lawful for the Board of Directors to issue at a discount, shares of a class already issued.

Further issue of same class of Shares

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

Shares at the dispose of the Directors

6. Subject to the provisions of the Companies Act, 1956 and these Articles, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms, and conditions and at such times as the Directors think fit. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting and where at any time it is proposed to increase

the subscribed capital of the Company by the issue of new shares then, subject to the provisions of Section 81 of the Act, the Board shall issue such shares in the manner provided therein.

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

Liability of joint holder
of Share

8. Every shareholder shall name to the Company a place in India to be registered as his address, and such address shall for all purposes be deemed his place of residence.

Address of
Share holders

9. Shares may be registered in the name of any person, the joint-holders, or any Limited Company, but not in the name of minor, nor shall more than four persons be registered as joint-holders of any share.

In whose name share
may be registered

10. Subject to the provisions of Sections 153 A, 153 B and 187 B of the Act, and except as required by law, no person shall be recognised by the Company as holding any shares upon any trust, and the Company shall not, save as ordered by some court of competent jurisdiction, be bound by or be compelled in any way recognise (even when having notice thereof) any benami, equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right there to in the person or persons from time to time registered as the holder or holders thereof.

Trust not recognised

11. The Directors may allot and issue shares in the capital of the Company in payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted, may be issued as fully paid up shares and if so issued shall be deemed to be fully paid up shares.

Directors may allot
shares as fully paid up

III. BROKERAGE AND COMMISSION

12. The Company may on any issue of shares or debentures pay such brokerage as may be reasonable and lawful.

Brokerage

13. In addition to the payment of any reasonable sums as brokerage, the Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debenture or debenture-stock in the Company or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares, debenture or debenture-stock in the Company but so that (if the commission shall be paid or payable out of the capital) the commission shall not exceed 5 per cent of the price at which the shares are issued or 2½% of the price at which debentures are issued.

Commission

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

Method of Payment of
Commission

IV. CERTIFICATES

Certificates

15. Every person whose name is entered as a member in the register of members shall be entitled to receive within three months after allotment or two months after the application for the registration of the transfer of any share (or within such other period as the conditions of issue shall provide) :—

(a) One certificate for all his shares of each class without payment,

or

(b) Several certificates, each for one or more such shares, upon payment of one rupee for every certificate after the first, or such less sum as the Directors may determine.

The expression "transfer" for the purpose of this article means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Signature on
Certificates

16. Every share Certificate shall be issued under the common seal of the Company and shall be signed by (i) two Directors, (ii) a Secretary or any other person authorised for the purpose by the Board of Directors. Every certificate shall specify the shares to which it relates and the amount paid up thereon.

One certificate for
joint shareholders

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

Renewal of certificates

18. If any certificate be worn out or defaced, or if there is no further pages on the back thereof for the endorsements of transfer, then upon production thereof to the directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof and if any certificate is proved to have been lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof may be given to the party entitled to such lost or destroyed certificate.

Fee for new certificate

19. The sum of Two rupees, the out of pocket expenses incurred by the Company in investigation for evidence and the advertisement cost or such less sum as the Directors may determine shall be paid to the Company for every such new certificate and the like fee shall be payable in respect of each sub-division of certificates.

Provided that no fee shall be charged for sub-division or consolidation of share certificates into lots of the market unit or for issue of new certificates in replacement of those which are old, decrepit or worn out or where pages on the reverse for the endorsements for transfer have been fully utilised.

Company's shares not
to be purchased

20. None of the funds of the Company shall be employed in the purchase of, or lent on, shares of the Company, and the Company shall not except as permitted by Section 77 of the Act give any financial assistance for the purpose of, or in connection with any purchase of shares in the Company.

V. CALLS ON SHARES

21. The Board of Directors may by a resolution passed at a meeting of the Board from time to time, subject to any terms on which any shares may have been issued, make such calls as they think fit upon the shareholders in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board. A call may be made payable by instalments. Calls
22. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed. When call deemed to have been made
23. At least fourteen clear days' notice of any call shall be given by the Company (either by letter to the members or by advertisement) specifying the time and place of payment, and to whom such call shall be paid. Notice of Call
24. (i) If by the terms of issue of any share or otherwise any amount is made payable on allotment or at any fixed time or by instalments at fixed times, whether on account of the nominal amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment, accordingly; Amount payable at fixed times or by instalments payable as calls
- (ii) In the case of non-payment of such sum all the relevant provisions of these articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
25. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of 9 per cent per annum or at such rate as the Directors may determine from time to time, from the day appointed for the payment thereof to the time of actual payment. The Directors shall be at liberty to waive payment of any such interest, wholly or in part. When interest on call or instalment payable
26. The Directors may, subject to Section 92 of the Companies Act, 1956 receive from any member willing to advance the same all or any part of money unpaid upon the shares held by him beyond the sums actually called for and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon. Money so paid in excess of the amount of calls shall not rank for dividend or participate in profits until it is appropriated towards satisfaction of any call. The Directors may at any time repay the amount so advanced. Payment of calls in advance
27. No call shall exceed one half of the nominal value of a share, or be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board. Amount and time of call
28. On the trial of hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Evidence in action for call

member sued, in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

VI. FORFEITURE, SURRENDER AND LIEN

If call or instalment not paid, notice to be given

29. If any Member fails to ^{pay} any call, or instalment, on or before the day appointed for payment thereof the Directors may at any time thereafter during such time as the call or instalment remains unpaid, serve notice on him to pay the same together with any interest that may have accrued, and any expenses that may have been incurred by the Company by reason of such non-payment and stating that in the event of non-payment on or before some day to be named in the notice (such day not being less than fourteen days from the date of service of such notice) and at some place (either the Office or a Bank) named in such notice, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

If notice not complied with share may be forfeited

30. If the ^{requirements} ~~provisions~~ of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls, instalments, interest and expenses due in respect thereof, may be forfeited by a resolution of the Board of Directors, and the forfeiture shall be recorded in the Directors Minutes Book; and the holder of such share shall thereupon cease to have any interest therein, and his name shall be removed from the register as such holder, and thereupon notice shall be given to him of such removal, and an entry of the forfeiture with the date thereof shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice to or to make such entry as aforesaid.

Effect of forfeiture

(2) The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of the rights as by these Articles are expressly saved.

Arrears to be paid notwithstanding forfeiture

31. Any person whose share shall be so forfeited, shall cease to be a member in respect of the forfeited share, but shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls or instalment, interest, and expenses owing upon or in respect of such shares at the time of forfeiture until payment at the rate of 12 per cent per annum, or at such rate as the Directors may determine. The liability of such person shall cease if and when the Company shall have received payment in full of such moneys in respect of the shares.

Forfeited share to become property of the Company

32. Any share so forfeited shall be deemed to be the property of the Company and the Board of Directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit.

Power to annul forfeiture

33. The Directors may at any time before any share so forfeited shall have been sold, re-allotted, or otherwise disposed of annul the forfeiture thereof upon such conditions as they think fit.

Declaration for forfeiture of shares

34. A duly verified declaration in writing that the declarant is a Director, 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.

Lien on shares

35. Shares, which are fully paid up, shall be free from all lien and in the case of partly paid shares, the Company shall have a lien which shall be restricted to moneys called or payable at a fixed time in respect of such shares.

36. The Directors shall be entitled to give effect to such lien by sale or forfeiture and re-issue of the shares subject thereto or by retaining all dividends and profits in respect thereof or by any combination of the said means but no sale or forfeiture shall be made, until such period as aforesaid shall have arrived, and unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell or forfeit shall have been served on such member, his executors or administrators, and default shall have been made by him or by them in the payment, fulfilment, or discharge of such debts liabilities or engagements for seven days after such notice.

As to enforcing a
lien by sale

37. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person.

Validity of sale

38. (i) The net 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 and presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale, or to his executors, administrators, committee, curator or other representative.

39. Where any shares under the powers in that behalf herein contained are sold by the Directors, and the certificate thereof has not been delivered to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

Directors may issue
new certificates

40. Subject to the provisions of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any his shares.

Surrender of shares

VII. SHARE WARRANTS

41. With the previous approval of the Central Government the Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act; and accordingly, the Board may in its discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any), as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

Power to issue share
warrants

42. (i) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after expiry of two clear days from the time of deposit, as if his name was inserted in the register of members as the holder of the shares included in the deposited warrant.

Rights of depositor of
share warrant

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

(iii) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

Rights of bearer of
share warrant

43. (i) Subject as herein otherwise expressly provided, no person, shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privilege of member at a meeting of the Company, or be entitled to receive any notices from the Company, nor shall share warrants be taken into account for purposes of share qualification of a director.

(ii) The bearer of a share warrant shall be entitled in other respects to the same privileges and advantages as if he were named in the register of members as the holder of a share included in the warrant, and he shall be a member of the Company.

Renewal of share
warrant

44. The Board may, from time to time, make rules as the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

VIII. TRANSFER AND TRANSMISSION OF SHARES

Transfer to shares

45. The instrument of transfer shall be in writing and all the provisions of section 108 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

Instrument of transfer
to be deposited

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

Power of Board to
refuse Registration to
transfer

47. The Board may, without assigning any reason, but subject to the right of appeal conferred by section 111, decline to register any transfer of shares or debentures upon which the Company has a lien, and in the case of shares which are not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve. No transfer shall be made to an infant or person of unsound mind.

Provided that registration of transfer shall not be refused on the ground of the transferor being, either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except a lien on shares.

Notice of refusal

48. If registration of the transfer of a share or debenture of the Company is refused, the Directors shall within two months from the date on which the instrument of transfer was lodged with the Company, send to the transfer and the transferor notice of the refusal.

Closing of share transfer
books and register

49. The Directors may, on giving seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, close the register of members for any time or times not exceeding thirty days at a time, but not exceeding in the whole forty-five days in each year.

50. The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint holders) shall be the only person, whom the Company shall recognise as having any title to the shares registered in the name of such member, and, in case of the death of any one or more of the joint-holders of any registered shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any executor or administrator or legal heir, the Director may require him to obtain a grant of probate or letters of administration or succession certificate or other legal representation, as the case may be, from some competent Court provided nevertheless that in any case where the Directors in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of probate or letters of administration upon such terms as to indemnity or otherwise as the Directors may consider desirable. Provided also that, if the member of a joint Hindu Mitakshara family the Directors on being satisfied to that effect, and on being satisfied that the shares standing on his name in fact belonged to the joint family, may recognise the survivors thereof as having title to the shares registered in the name of such member but this proviso shall in no way be deemed to modify or nullify the provisions contained in Articles 10 and 11 hereof.

Transmission of registered shares

51. Any committee or guardian of a lunatic or infant member, or any person becoming entitled to or to transfer shares or debentures in consequence of the death, bankruptcy or insolvency of any member, or otherwise than by transfer may, with consent of the Directors (which they shall not be under any obligation to give), be registered as a member upon such evidence of his title being produced, as may, from time to time, be required by the Directors, or such person instead of being registered himself, may, subject to the regulations as to transfer herein before contained, transfer such shares. The Board shall in either case, have the same right to decline or suspend registrations as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

As to transfer of shares of deceased or bankrupt member

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

As to notice of election on transmission

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

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

53. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share.

Transmission clause

Provided that the Board may, at any time, give notice requiring and such person to elect either to be registered himself or 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 the money payable in respect of the share, until the requirements of the notice have been complied with.

IX. ALTERATION OF CAPITAL

Increase of capital

54. The Company in General Meeting may, from time to time, increase the capital by creating and/or issuing new shares. The new capital may be divided into preference shares or Equity shares and may be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation and/or issuing thereof shall direct, and if no direction be given, as the Board of Directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.

Same as original capital

55. Any capital raised by the creation and/or issue of new shares shall be considered as part of the original capital in all respects, so far as may be, subject to the foregoing provisions, with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien and surrender, unless it may be otherwise resolved by the General Meeting sanctioning the increase.

Reduction capital

56. The Company may, subject to confirmation by the Court, from time to time, by Special Resolution, reduce its capital in any way, and in particular and without prejudice to the generality of the foregoing powers by exercising the powers mentioned in Section 100 of the Companies Act, 1956.

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

- a) Its share capital;
- b) any capital redemption reserve fund; or
- c) any share premium account.

Consolidation of shares

58. The Company may consolidate and divide all or any of share capital into shares of larger amount than its existing shares.

Conversion of shares

59. The Company may convert all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination.

Transfer of stock

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

Right of stock holders

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

Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words 'shares' and 'shareholders' in those regulations shall include 'stock' and 'stock-holder' respectively.

Sub-division of shares

62. The Company may sub-divide its shares or any of them into shares of smaller amount that is fixed by the Memorandum, so however, that in 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 share is derived.

63. The Company may cancel shares which, at the date of the resolution in that behalf, have not been or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

Cancellation of shares

64. The resolution whereⁿ by any share is sub-divided may determine that as between the holders of shares resulting from such division one or more of such class of shares shall have some preference or special advantage as regards dividend, capital, or otherwise over or as compared with the others or other.

Sub-division into preferred and equity

65. Whenever the capital by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class in the capital for the time being of the Company may be modified, commuted, affected, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided that such agreement is ratified in writing by the holders of at least 75% in nominal value of the issued shares of the class, or is confirmed by a special Resolution passed at a separate General Meeting of the holders or shares of that class. The powers conferred upon the Company by this Article are subject to Sections 106 and 107 of the Act

Modification of rights

X. BORROWING POWERS

66. (a) Subject to the provisions of the Act, and without prejudice to the powers conferred by any other article or articles, the Directors may, from time to time, at their discretion, borrow or secure the payment of any sum or sums of money for the purpose of the Company either from any director or elsewhere on security or otherwise and may secure the repayment or payment of any sum or sums in such manner, and upon such terms and conditions in all respects as they think fit, and in particular by [the creation of any mortgage or charge on the undertaking or the whole or any part of the property present or future, or the uncalled capital of the Company, or by the issue of debentures or debenture-stock of the Company, perpetual or redeemable, charged upon the undertaking or all or any part of the property of the Company, both present and future, including its uncalled capital for the time being and the Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon, and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise.

Power to borrow

(b) The Directors may at any time by a Resolution passed at a Board meeting delegate to any category of managerial personnel or any Committee of Directors or any other principal officer of the Company or a principal officer of the Branch Office of the Company, the powers specified in sub-clause (a) above provided the Resolution delegating powers of such managerial personnel or committee to borrow moneys shall specify the total amount upto which the moneys may be borrowed by him or them.

67. The Directors may, subject to the provisions of Section 293 of the Act, borrow any sum of money and where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds

Restriction on borrowing powers

the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, the sanction of the General Meeting should be obtained and every resolution passed by the Company in relation to the exercise of the power referred to in the Article shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

Director's loans and guarantees

68. The Directors shall be entitled to receive such interest on loans made by them to the Company as may be agreed between the Company and the Directors. The Directors, including the Managing Director may guarantee any loan made to the Company and shall be entitled to receive such payments on account of his having given any such guarantee as may be determined by the Board, and such payment shall not be a remuneration in respect of his services as Director.

Mortgage of uncalled capital

69. If any uncalled capital of the Company be included in or charged by any mortgage or other security, the Directors may by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed, or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions herein before contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either to the exclusion of the Directors power or otherwise and shall be assignable if expressed so to be.

XI. GENERAL MEETINGS

Annual General Meeting

70. (a) The ~~Board of Directors~~ ^{Company} shall hold Annual General Meetings of the Company in accordance with the provisions of Section 166 of the Companies Act. EK

(b) The Board of Directors may, suo motu, call any other General Meeting, besides the Annual General Meeting.

Distinction between Annual and other General Meetings

71. The Meetings referred to in Article 71 (a) shall be called Annual General Meetings and all other meetings of Shareholders shall be called Extraordinary General Meetings.

Extra-ordinary General Meeting

72. The Board of Directors of the Company shall, on the requisition of such number of members of the Company as is specified sub-section (4) of Section 169 of the Act, forthwith proceed duly to call an Extra-ordinary General Meeting of the Company and the provisions of Section 169 of the Act shall apply thereto.

Quorum

73. Five members personally present shall be the quorum for a general Meeting. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the meeting.

Chairman of General Meeting

74. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting and if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair then the members present shall choose one of their number being a member entitled to vote to the Chairman. EK

When if quorum not present, meeting to be dissolved and when to be adjourned

75. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as afore-said, shall be dissolved; but in any other case, it 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 time and place, as the Board may by notice appoint and if at such adjourned meeting a quorum be not present, those members who are present shall be quorum and may transact the business for which the meeting was called.

76. The Chairman with the consent of the meeting, may adjourn any General Meeting from time to time and place to place, but no business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place, and which might have been transacted at that meeting. It shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.

Business to be transacted at adjourned meeting

77. Except where otherwise provided by the Companies Act, 1956 or by these represents every question to be decided by any General Meeting shall, in the first instance, be decided by a show of hands. In case of an equality of votes, the Chairman shall both on a show of hands at a poll have a casting vote, or votes to which he maybe entitled as a Member.

How question to be decided at a meeting

78. Poll may be demanded and taken in accordance with and subject to the provisions of Sections 179, 184 and 185 of the Companies Act, 1956.

When poll may be demanded

79. Unless a poll is demanded, in accordance with Section 179 of the Companies Act, 1956, before or on the declaration of the result by the show of hands, a declaration of the Chairman, that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minutes of the proceedings of the meeting, shall be sufficient evidence of the fact so declared, without proof of the number or proportion of the votes given for or against the resolution.

What is to be evidence of the passing of a resolution where poll not demanded

80. If a poll is demanded as aforesaid, it shall be taken subject to Sections 180 to 185 of the Companies Act, 1956 in such manner and at such time and place, as the Chairman of the meeting directs, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

Poll

81. The Company shall cause minutes of all proceedings of every general meeting and of its Board of Directors or of every Committee of the Board, to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in the books kept for the purpose with their pages consecutively numbered. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :-

Minutes

- (a) In the case of minutes of proceedings of a meeting of the Board or of a Committee thereof, by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (b) In the case of minutes of proceedings of a General Meeting by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

82. On a show of hands, every member present in person or by proxy, or attorney, and being a holder of Equity (ordinary) shares, and entitled to vote

Vote of members

shall have one vote. On a poll the voting rights of member shall be as laid down in the Act. Preference shareholders shall have right to vote in accordance with the provisions of Section 87 of the Act.

Joint holders	83. If two or more persons are jointly registered as holders of any one share, any of such persons may vote at any meeting. either personally, or by proxy, or attorney as if he were solely entitled thereto, and if more than one such joint-holders be present at any meeting personally or by proxy. or attorney one of such persons so present whose name stands first in the register in respect of such share, shall alone be entitled to vote in respect of the same. Several executors or administrators of a deceased member in whose names any share stands shall, for the purpose of this clause be deemed joint-holders.
Right of vote under transmission clause	84. Any guardian, or other person entitled under the transmission (Article 54 hereof) to transfer any shares, may vote at any General Meeting in respect thereof, as if he was the registered holder of such shares provided that atleast 24 hours before the holding of the meeting he shall satisfy the Directors his right to act in that capacity, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
No member entitled to vote etc., while call due to Company	85. No member shall be entitled to be present, or to vote at any General Meeting, either personally, or by proxy, or attorney whilst any call or other sum is due and presently payable to the Company, or in regard to which the Company has, and has exercised, any right of lien,
Right of vote to a member of unsound mind	86. 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.
As to objection to a voter	87. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
Proxy	88. Subject to section 176 of the Companies Act, 1956 votes may be given either personally or by proxy, or by agent acting under a duly executed Power of Attorney.
Time for deposit of instrument of proxy	89. The instrument appointing a proxy, and every power of attorney or other authority, (if any) under which it is signed, or 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, at which the person named in such instrument purposes to vote, and in default the instrument of proxy shall not be treated as valid.
Form of proxy	90. An instrument appointing a proxy shall be in either of the forms in schedule IX to the Act or a form as near thereto as circumstances admit.
Proxy need not be a member	91. Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.
As to validity of vote given by proxy	92. A vote given in accordance with the terms of an instrument of proxy or a power of attorney shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or power of attorney, or transfer of

the share in respect of which the vote is given, unless an intimation in writing of the death, revocation or transfer, shall have been received at the office of the Company before the meeting.

XII. MANAGEMENT

(1) Directors

93. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the Companies Act, 1956 or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the Company in General Meeting, subject nevertheless no such regulations shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Directors

94. Unless otherwise determined by the Company in General Meeting the number of Directors shall be not less than 3 nor more than 12 including Special, Alternate, Additional, Nominated Debenture or Technical Director, if any.

Number of Directors

95. At the date of the adoption of these articles, the following persons shall be the first Directors of the Company.

First Directors

- (a) Shri Y. V. Krishna Rao. ✓
- (b) Shri D. C. Galada. ✓
- (c) Shri S. G. Reddy. ✓

96. The Directors shall have power from time to time, and at any time, to appoint any other persons to be Directors, but so that the total number of Directors shall not at any time exceed the maximum number fixed as above. But any Director so appointed shall hold office only until the next following Annual General Meeting of the Company and shall then be eligible for re-election.

Appointment of Directors

97. "No share qualification shall be necessary for any Director".

98. Until otherwise determined by a General Meeting, each Director shall receive out of the funds of the Company by way of remuneration a sum not exceeding Rs. 250/- for each meeting of the Board or a Committee ~~or any~~ ~~General Meeting~~ thereof attended by him. The Board of Directors may allow and pay to any Director who having his residence at a place outside the place at which any meeting of the Directors may be held and who shall come to the place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending at the meeting in addition to his remuneration as above specified.

Director's fee and other remuneration

99. The Directors may subject to the provisions of Sections 198 and 309 of the Companies Act, 1956, also receive remuneration or commission, or participation of profits or partly in one way or partly in another, and such remuneration shall be divided among the Directors, equally or in such other proportion as they may determine from time to time.

Director's Commission

100. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or, residing away from the place of the registered office of the Company for any of the purpose of the Company, or giving any special attendance to the business of the Company, the Company may pay to the Directors so doing either by a fixed sum, or by a percentage on profits or otherwise, as may be determined by the Directors, subject to obtaining the sanction of the Central Government.

Extra service performed by Directors

Debenture Director

101. Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the Trustee thereof or by the holders of debentures or debenture-stock of some person to be a Director of the Company any may empower such trustee or holders of debentures or debenture-stock from time to time to remove any Director so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this article. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Special/Nominee
Director

102. In the event of the Company entering into an agreement or agreements for the purchase of machinery and or for promoting technical collaboration and/or assistance for the purchase of machinery, installation etc, or for any mining rights, lease or concessions or other contract or agreement for assistance in any form like power supply, water supply, grant of loans, underwriting and/or subscribing for shares of the Company, with any State Government, Central Government or any Industrial Finance and Development Corporation or any financing institution and if the terms of the agreement of contracts or arrangement provide for the appointment of a person or persons as directors such person or persons including any State Government, Central Government or any Industrial Finance and Development Corporation or financing institution with whom the said agreements are entered into shall be entitled to appoint such number of Directors hereinafter referred to as Special/Nominee Directors as may be agreed upon from time to time, and from time to time remove any such Director or Directors so appointed and to appoint others in his or their place and to fill in vacancy caused by death or resignation of such Director or Directors or otherwise ceasing to hold office and that such special/nominee Directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company in General Meeting.

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~~102A~~ The Special Director/s shall be entitled to attend General Meetings, the Board Meetings and the Meetings of any Committee of which he is a member. The Special Director/s shall be paid normal fees and expenses to which other Directors are entitled to, provided that if such Directors appointed by the Industrial Development Bank of India (IDBI) is an officer of IDBI or the Reserve Bank of India (RBI) no such sitting fees shall be payable to him but the Company shall reimburse IDBI or RBI, as the case may be, the amounts payable under the Rules of IDBI or RBI, as the case may be, to such Directors on account of travelling and halting allowances and any other expenses for attending, the Board Meeting or Meeting of any Committee appointed by the Board of Directors of the Company.

Alternate Director

103 (1) The Board of Directors may appoint an Alternate Director to act for a Director (Hereinafter called the Original Director) during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held.

(2) An alternate Director appointed under sub-clause (1) above shall vacate office if and when the Original Director returns to the State in which the meetings of the Board are ordinarily held.

(3) If the term of office of the Original Director is determined before he so returns to the State aforesaid any provision for the automatic re-appointment shall apply to the Original and not to the Alternate Director.

104. Subject to the provisions of Section 260 of the Companies Act, 1956, the Directors may appoint Additional Director.

Additional Director

105. The Company may, by ordinary Resolution, remove an ordinary Director other than a Director appointed by the Central Government in pursuance of Section 408, before the expiry of his period of office and fill up the vacancy thus created in the manner and subject to the provisions of Section 284 of the Companies Act, 1956.

Removal Director

106. Any casual vacancy occurring among the Directors may be filled up by the Directors, but any person so chosen shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Directors may not fill a casual vacancy by appointing any person who has been removed from the office of Director of the Company under the preceding Article.

Casual Vacancy may be filled by Directors

107. The continuing Directors may act, notwithstanding any vacancy in their body; but so that if the number falls below the minimum fixed, the Directors shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum.

Failure to fill Casual vacancy

108. At the Annual General meeting of the Company to be held in every year, one-third of such of the Directors as are liable to retire by rotation for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office, and they will be eligible for re-election.

Rotation and retirement of Director

26 Provided nevertheless that the managing Director or Director appointed under Article ~~115~~ or the Directors appointed as a Debenture Director, special Director or Ex-officio Director or an additional Director under Articles 102 102 A and 104 hereof shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

Not to be 109. Subject to the provisions of Sections 297, 299, 300 and 302 and 314 of the Act, the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with such Director or with any company or partnership in which he shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of fiduciary relation thereby established, but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.

Directors may contract with Company
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4 110. Director of this Company may be or become a director of any company promoted by this Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as a Director or member of such Company.

When Directors of this Company appointed Director of a subsidiary Company

111. The Directors shall meet together at least once in every three months and at least four such meetings shall be held every year. Two Directors or one-third of the total strength of Directors, whichever is higher as provided in Section 287 of the Companies Act, 1956 shall be a quorum. Where at any time, the number of interested Directors exceeds or is equal to two-thirds of the

total strength the number of remaining Directors not so interested present at the meeting being not less than two shall be the quorum during such time. Any Director or Managing Director may at any time and the Managing Director shall upon the request of any Director at any time convene a meeting of Directors. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second of casting vote.

Chairman of Directors

112. (a) The Board of Directors may elect a Director as Chairman of the Board and the Chairman shall not be liable to retire by rotation.

(b) If no such Chairman is elected, or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting.

Delegation of powers
by Board

113. Subject to the provisions of Section 292 of the Act, the Directors may delegate any of their powers to a Committee consisting of such member or members of their body as they think fit, or to any category of managerial personnel or to any principal officer of the Company or to principal officer of the Branch Office of the Company. Any such committee or delegates shall, in exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Directors.

Meetings etc. of
Committee

114. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein-before contained for regulating the meeting and proceedings of the Director so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding clause.

Minutes

115. All minutes shall be signed by the Chairman of the meeting at which the same are recorded or by the person who shall preside as Chairman at the next ensuing meeting, and all Minutes purporting to be so signed shall for all purposes whatever be prima facie evidence of the actual passing of the resolutions recorded, and the actual and regular transaction or occurrence of the proceedings to be so recorded, and of the regularity of the meeting at which the same shall appear to have taken place.

Resolution without
Board Meeting

116. Save in those cases where a resolution is required by Sections 262, 292, 287, 316, 372 (4) and 386 of the Act. to be passed at a meeting of the Board, a resolution shall be valid and effectual as if it had been passed at a meeting of the Board or Committee, of the Board, as the case may be duly called and constituted, if a draft thereof in writing is circulated together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be 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 of the Committee at their usual address and has been approved by such of them as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

Managing Director

117. The Board may, from time to time and at any time appoint one or more of their body to be a wholtime or Managing Director or Directors to manage and conduct the business of the Company subject to their control, direction and superintendence and subject to the provisions of the Act and the Articles. The wholtime or Managing Directors or Directors will not be liable to retire by rotation.

XIII. THE SEAL

118. The Director 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. The directors shall provide for the safe custody of the Seal for the time being and the seal shall never be used, except by the authority of the Directors or a Committee of the Directors previously given, and one Director at least shall sign every instrument to which the Seal is affixed, provided, nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

Custody of the Seal

119. The Company may have for use in any territory, district or place not situate in India an official Seal which shall be a facsimile of its Common seal with the addition on the face of the name of the territory, district or place.

Seal for use in foreign territory

XIV. FOREIGN REGISTER

120. The Company may keep in any State or Country outside India, a branch register of members or debenture-holders resident in that State or Country (hereinafter called as "Foreign Register") and shall, within one month from the date of the opening of any foreign register, file with the Registrar notice of the situation of the office where such register is kept and in the event of any change of situation of such office or of its discontinuance shall within one month from the date of such change or discontinuance as the case may be, file notice with the Registrar of such change or discontinuance. As regards the provisions relating to Foreign Register, the Company shall have regard to Section 158 of the Act.

Foreign Register

XV. ACCOUNTS, AUDIT AND DIVIDENDS

(1) Accounts

121. Books of account shall be kept at the registered office of the Company, or at such other place in India as the Directors may think fit.

Books where kept

122. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what Condition or regulation the accounts and books of the Company or any of them shall be open to inspection of members not being Directors. No member (not being a Director) shall have any right to inspect the same except as provided by the Companies Act, or authorised by the Board of Directors, or by any resolution of the Company in General Meeting.

Inspection by members

(2) Audit

123. Once at least in every year the accounts of the Company shall be examined, and the correctness thereof and of the balance sheet and profit and loss account ascertained by one or more Auditor or Auditors.

Auditors

124. As regards the appointment and remuneration, qualification and disqualification, removal, powers, rights and duties of Auditors, the Directors and the Auditor shall have regard to Section 224 to 231 of the Companies Act, 1956.

Appointment etc. of Auditors

125. Every account of the Company when audited and approved by a General Meeting shall be conclusive, except so far as regards any error discovered therein before or at the audit of the then next account, and whenever such error is discovered within that period the account shall be forthwith corrected and thenceforth shall be conclusive.

(3) Capitalisation of Profits

126. (1) The Company in General Meeting may, upon the recommendation of the Board of Directors resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or accounts or to the credit of the profit and loss account or otherwise available for distribution, and
- (b) that such sum be accordingly set free for distribution in manner specified in clause (2) amongst the member who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

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

- (i) Paying up any amounts for the time being unpaid or any shares held by such member respectively.
- (ii) Paying up in full, unissued shares or debentures of the Company to be allotted and distributed, credited as 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).

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

(4) The Board of Directors shall give effect to the resolution passed by the Company in pursuance of this Article.

Application of profits

127. Whenever such a resolution as aforesaid shall have been passed the Board of Directors shall

- (1) (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and allotments and issue of fully paid-up shares or debentures, if any, and
 - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board of Director shall have full power
- (a) 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 or debentures becoming distributable in fractions; and also
 - (b) to authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or debentures 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 amounts or any part of the amounts remaining unpaid on their existing shares.

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

(4) Reserve and Depreciation Funds

128. The Directors may from time to time set apart any and such portion of the profits of the Company as they think fit as reserve fund applicable, at their discretion for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, or for any other purposes of the Company, with full power to employ the assets constituting the Reserve Fund in the business of the Company, and that without being bound to keep the same separate from the other assets.

Reserve Fund

129. The Directors may also carry forward any profits which they may think prudent not to divide, without setting them aside as a reserve.

Carry forward of profits

130. The Directors may from time to time set apart any and such portion of the profits of the Company as they think fit, as a Depreciation Fund applicable at the discretion of the Directors, for rebuilding, restoring replacing, or altering any part of the building, works, plant, machinery or other property of the Company destroyed or damaged by fire, flood, storms, tempest, accident, riot wear and tear, or other means, or for repairing, altering and keeping in good condition the property of the Company, or for extending and enlarging the buildings, machinery, and property of the Company, with full power to employ the assets constituting such depreciation fund in the business of the Company, and that without being bound to keep the same separate from the other assets.

Depreciation Fund

131. All moneys carried to the Reserve Fund and Depreciation Fund respectively shall nevertheless remain and be profits of the Company applicable, subject to due provision being made for actual loss or depreciation, for the payment of dividends, and such moneys and all the other money of the Company, not immediately required for the purpose of the Company, may be invested by the Board of Directors in or upon such investments or securities, as they may select or may be used as working capital or may be kept at any bank on deposit or otherwise as they may from time to time think proper.

As to application of Reserve and Depreciation Fund

(5) Dividends

132. The Company in Annual General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits, and for the purpose of the equalisation of dividends any sums from time to time in accordance with these presents carried to the reserve, depreciation, or other special funds may be applied in payment thereof. The dividends so declared by the General body shall not exceed the amount so recommended by the Directors.

Dividends

133. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon and of the shares in the Company, dividends may be declared and paid according to the amounts ~~of~~ ^{paid up on} the shares.

Dividend in proportion to amounts paid up on shares

134. If and whenever any bonus on shares is declared out of the profits, and whether along or in addition to any dividend thereon, the bonus shall for all purposes whatsoever be deemed to be a dividend on the shares.

Bonus

Debts may be deducted

135. When any shareholder indebted to the Company for calls or otherwise, all dividends payable to him, or a sufficient part thereof, may be retained and applied by the Directors in or towards satisfaction of the debt, liabilities or engagements.

Dividends out of profits only

136. No dividend shall be payable except out of the profits of the year or any other undistributed profits, and no larger dividend shall be declared than is recommended by the Directors, but, the Company in Annual General Meeting may declare a smaller dividend. Before declaring any dividend the Company shall have regard to the provisions of Section 205 of the Act.

Interest out of capital

137. Subject to the provisions of Section 208 of the Act, the Company may pay interest on so much of the share capital as is for the time being paid up, for the period and subject to the condition and restriction mentioned in Section 208 and charge the sum so paid by way of interest, to capital as part of the cost of construction of the work or building or the provision of the plant.

Dividend in specie

138. No dividend shall be payable except in cash provided that nothing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

Joint-holders Receipt

139. In case two or more persons are registered as the joint-holder of any share, any of such persons may give effectual receipts for all dividend and payments on account of dividends in respect of such share.

Dividend and call together

140. Any General Meeting declaring dividend, may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call ~~may~~ be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this Article shall be deemed ordinary business of an ordinary meeting which declares a dividend.

Right to dividend on transfer of shares

141. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

How to be paid

142. Unless otherwise directed by the Company in General Meeting, any dividend may be paid in cash or by cheque or warrant or money order sent through the post within forty-two days of the date of such declaration to the registered address of the member entitled, or in the case of joint-holders, to the registered address of that one whose name stands first on the register in respect of the joint-holding and every cheque so sent shall be made payable to the order of the person to whom it is sent.

Unclaimed Dividend

143. All unclaimed dividends will be dealt with in accordance with the provisions of Sec. 205A of the Act.

144. The provisions of Sec. 205B of the Act will apply to payments from unpaid and unclaimed dividends.

XVI. SERVICE OF DOCUMENTS AND NOTICES

(i) How notices & Documents to be served on members

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

146. Where a document is sent by post service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the documents provided that where a member has intimated to the Company in advance that the document should be sent to him under Certificate of Posting or by Registered Post with or without Acknowledgment Due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;

(ii) Service by post

- (a) In the case of a notice of a meeting at the expiration of fortyeight hours after the letter entering the same is posted, and
- (b) in any other case at the time at which the letter would be delivered in the ordinary course of post.

147. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him a document or notice of meeting advertised in a Newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly given to him on the day on which the advertisement appears.

Member resident abroad

Notice of meeting by advertisement in newspaper

148. A document may be served by the Company on the joint-holders of a share by serving it on the joint-holder named first in the Register in respect of the share.

Notice to Joint-holders

149. A document may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased or assign of the insolvent or by any like description at the address (if any) India supplied for the purpose by the persons, claiming to be so entitled or until such an address has been so supplied by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Notice to person entitled by transmission



150. Notice of every meeting shall be given to every member of the Company in any manner authorised by Articles 149 to 151 hereof and also to every person entitled to a share in consequence of the death, or insolvency of a member who but for his death or insolvency would be entitled to receive notice of the meeting.

Notice of General Meeting

151. Any notice required to be given by the Company to the members or any of them and not expressly provided for by the Act or by these presents shall be sufficiently given if given by advertisement.

When notice may be given by Advertisement

152. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the register shall be duly given to the person from whom he derives his title to such share.

Transferees etc. bound by prior notice

153. Any notice or document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding such member be then deceased and whether or not the Company have notice of his decease be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder of joint-holder thereof and such service shall, for the purpose of these presents,

Notice valid though member deceased

be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.

154. The accidental omission to give notice to or non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

How notice to be
signed

155. The signature in any notice to be given by the Company may be written or printed.

XVII. WINDING UP

Notice

156. If the Company shall be wound up and the surplus assets shall be more than sufficient to repay the whole of the paid-up capital, the excess shall be distributed among the members in proportion to the capital paid-up or which ought to have been paid-up on the Equity shares held by them respectively at the commencement of the winding up, but, the clause is to be without prejudice to the rights of the holders of shares issued upon special conditions.

157. In a winding up the Liquidator may, irrespective of powers conferred on him by the Companies Act, and as an additional power, with the authority of a Special Resolution, sell the undertaking of the Company or the whole or any part of its assets, for shares fully or partly paid up of the obligations of or other interests in any other company and may by the contract of sale agree for the allotment to the members direct of the proceeds of sale in proportion to their respective interests in the Company. Any such sale or arrangement or the Special Resolution confirming the same may, subject to the provisions of article 12 hereof, provided or the distribution or appropriation of the shares or other benefits to be received in compensation otherwise than in accordance with the legal rights of the contributories of the Company, and in particular, any class may be given preferential or special rights, or may be excluded altogether or in part, and further by the contract a time may be limited at the expiration of which shares, obligations or other interests not accepted or required to be sold shall be deemed to have been refused, and be at the disposal of the Liquidator of the purchasing Company.

158. (1) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution and any other sanction required by the Companies Act, 1956 divide amongst the members in specie or kind the whole or any part of the assets, of the Company whether or not they shall consist of property of the same kind.

(2) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(3) The Liquidator may, with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

XVIII. SECRECY

159. Every Director, Manager, Trustee, Member of a Committee, officer, servant, agent, accountant, or other persons employed in the business of the

Company; shall if so required by the Directors ~~or Managing Agent~~, sign a declaration pledging himself to observe strict secrecy respecting all transaction of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors; or by any meeting or by a Court of Law and except sofar as may be necessary in order to comply with any of the provisions in this presents contained.

[Handwritten mark]

160. No member or other person not being a Director shall be entitled to enter the property of the Company or to inspect or examine the Company's premises properties of the Company without the permission of the Directors of the Company for the time being or subject to these Articles to require discovery of any infoamation respecting any detail of the Company's trading of any matter which is or may be in the nature of a trade secret, mystery of trades or secret process or of any matter whatsoever which may relate to the conduct or the business of the Company and which in the opinion of the Directors it will be inexpedient of the Company to communicate to the public.

Winding-up No shareholder to enter the premises of the Company without permission

XIX. INDEMNITY

161. The Managing Director and every Director, Member of the Auditor, Officer or servant of the Company shall subject to Section 201 of the Companies Act, 1956 be indemnified out of its funds for all costs, charges travelling or other expenses, losses and liabilities incurred by them or him in the conduct of the Company's business or in the dischrge of their or his duties, and neither and Director nor officer or servant of the Company shall be held liable for joining in and receipt or other act for confirmity's sake or for any loss or expenses happening to the Company by insufficiency or deficiency of any security on, in or upon which any of the moneys of the Company shall be invested, or for any loss or damages, arising from the bankruptcy, insolvency or tortious act of any person with whom any money's securities or effects, shall be deposited or for any other loss, or damage or misfortune whatsoever, which shall happen in the execution of their or his, office, or in relation thereto, unless the same shall happen through their or his wilful act. neglect or default.

[Handwritten mark]

162. Every Director, Auditor, Secretary, Agent and Officer of the Company shall also be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Companies Act. 1956 in which relief is granted to him by the Court.

[Handwritten mark]

Sl. No.	Name, Signature, Address, descriptions and occupation of the subscribers	Witness with address description and occupation
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1
 Y. Venkateswara Rao
 (Y. VENKATESWARARAO)
 S/o Krishna Kutthigam,
 Retired Judge, High Court of A.P.
 6-3-252/1/1, Errum Manzil
 Hyderabad

2
 Y.V. Krishna Rao
 Y.V. Krishna Rao
 S/o Y. Venkateswara Rao
 Bank service
 6-3-252/1/1, Errum manzil
 Hyderabad - 500004

3
~~Y. Sabeda~~
 S/o. K. Srinivasulu Sabeda.
 6-3-252/2/2, K. Srinivasulu Colony
 HYDERABAD. 500004.
 Business

4
 G. Lakshmianna Rao
 (G. LAKSHMIANNA RAO)
 S/o G.M. GUPTA
 Plot No 233
 Jubilee Hills
 HYDERABAD 500034
 Engineer.

Y. Venkateswara Rao
 Y. Venkateswara Rao
 S/o S.M. Y. Venkateswara Rao
 6-3-252/1/1, Errum Manzil,
 Hyderabad 500004
 ADVOCATE

Sl. No.	Name, Signature, Address, descriptions and occupation of the subscribers	Witness with address description and occupation
5	<p><i>B. Narasimhaiah</i> (B. Narasimhaiah) Electrical Engineer 6-3-562/2, EXAM Manzil Hyderabad 500004.</p>	
6	<p><i>B. Venkata Ratnam</i> (B. VENKATA RATNAM) S/o. Late Sri Narayana adwale 3-k. 663/2, Nardayavaguda Hyderabad 29</p>	<p><i>V. Sambasiva Rao</i> V. Sambasiva Rao S/o Ch. Y. Venkatesa Rao 6-3-252/2/1, Exam Manzil, Hyderabad 500004 Advocate.</p>
7	<p><i>B. Srinivasa Rao</i> (B. SRINIVASA RAO) S/o Sri B. Venkataratnam H. NO: 3-4-663/21 Narayanaguda Hyderabad. 500029 Occupation: Doctor</p>	
8	<p><i>Gotamchand</i> GOTAMCHAND BAFNA S/O KANHAIYALAL BAFNA 7-449/3 AMFER Pet Hyderabad-16 Industrial</p>	

28


E. 28

Sl. No.	Name, Signature, Address, descriptions and occupation of the subscribers	Witness with address description and occupation
9	<p>S. Ganga Reddy S. GANGI REDDY SI. Venkata Reddy G. Hanu Dada Keti Reddy T. G. E.G. at Land hold</p>	
10	<p><i>[Signature]</i> M. Satyanandam 870 Serdar Road Advocate 12-2-823/BK9 J. T. Colony Mehdipatnam, Hyderabad - 500028</p>	<p><i>[Signature]</i> Y. VANESWARA RAO 870 Sir. Y. Venkateswara Reddy b. 2-25421, 6th Floor, Hyderabad 500 004 ADVOCATE.</p>
11	<p><i>[Signature]</i> GADY KRISHNARAO 870 Venkateswara Chaitanya's Accountant. 5-3-340 R.P. Nagar Secunder.</p>	

Dated this the 19th day of October, 1980.

Place: Hyderabad.

Company No. 2833 Document No. 2
Registered / Merged / Transferred on 24/11/82
Date of destruction by Government /



[Signature]
REGISTRAR