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*Memorandum*

*and*

*Articles of Association*

*of*

**ORCHID CHEMICALS & PHARMACEUTICALS LIMITED**

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FORM I R,



# CERTIFICATE OF INCORPORATION

No. 18-22994.....of 1992.....

I hereby certify that.....ORCHID CHEMICALS &.....

.....PHARMACEUTICALS LIMITED.....

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\*\*\*

Is this day Incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at.....MADRAS.....

this.....FIRST.....day of.....JULY.....  
.....TENTH.....ASADHA.....

One thousand nine hundred and NINETYTWO.....

One thousand nine hundred and FOURTEEN (SAKA).....



(V. GOVINDAN)

Registrar of Companies  
TAMIL NADU

Company No:  
13-  
22994



## Certificate For Commencement of Business

Pursuant of section 149 (3) of the Companies Act, 1956

I hereby certify that the ORCHID CHEMICALS &  
PHARMACEUTICALS LIMITED \*\*\* \*\*

which was incorporated under the Companies Act, 1956. on  
the First day of July 1992.

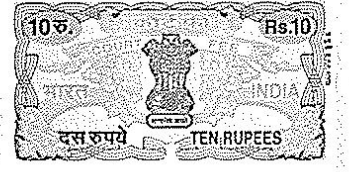
and which has this day filed a duly verified declaration in the  
prescribed form that the conditions of section ~~149 (1) (a) to (d)~~  
149 (2) (a) to (c) of the said Act, have been complied with, is  
entitled to commence business.

Given under my hand at MADRAS  
this Fifteenth day of October  
Twenty third  
One thousand nine hundred and Ninety Two Asvina  
One thousand nine hundred and Fourteen (Saka)



*(V. GOVINDAN)*  
(V. GOVINDAN)  
Registrar of Companies.  
Tamil Nadu

IN THE HIGH COURT OF JUDICATURE AT MADRAS  
(ORIGINAL JURISDICTION)



Tuesday, the 20<sup>th</sup> day of March, 2012.

THE HON'BLE MR. JUSTICE A. ARUMUGHASWAMY

COMP. PETN. No. 28 OF 2012

In the matter of the Companies Act, 1956  
and  
In the matter of scheme of Amalgamation of M/s. Orchid  
Research Laboratories Limited  
with  
M/s. Orchid Chemicals & Pharmaceuticals Limited  
and  
Their respective shareholders

C. P. NO. 28/2012:

M/s. Orchid Research  
Laboratories Limited,  
a Company incorporated under the  
Companies Act, 1956,  
having its Registered Office at  
'Orchid Towers' 313 Valluvar  
Kottam High Road, Nungambakkam,  
Chennai 600 034 Tamil Nadu,  
Rep. by Suranjan Upadhyay  
Authorised Signatory.

.. Petitioner/ Transferor  
Company

and

M/s. Orchid Chemicals &  
Pharmaceuticals Limited,  
a company incorporated under the  
Companies Act, 1956, having its  
Registered Office at 'Orchid Towers'  
313 Valluvar Kottam High Road,  
Nungambakkam, Chennai 600 034,  
Tamil Nadu.

.. Respondent/ Transferee  
Company

This Company Petition praying this Court:

a) That the Scheme of Amalgamation ('the Scheme') of  
M/s. Orchid Research Laboratories Limited (Petitioner Company  
or Transferor Company or ORLL), with M/s. Orchid Chemicals &  
Pharmaceuticals Limited (Transferee Company or OCPL) and  
their respective shareholders, be sanctioned by this High

Court with effect from 1<sup>st</sup> April 2010, or such other date as determined in terms of the Scheme so as to be binding on all the shareholders of the Petitioner Company and the Transferee Company.

b) The Petitioner Company may be dissolved without winding up.

This Company Petition coming on this day before this Court for hearing in the presence of Mr.K.Ramasamy, Advocate for the Petitioner herein, and Mr.S.Sathyanarayanan, Additional Central Government Standing Counsel appearing for the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, and Mr.M.Jayakumar, Deputy Official Liquidator for Official Liquidator, High Court, Madras, and upon reading the Company Petition No.28/2012, and the affidavit of M.A.Kuvadia, Regional Director, Southern Region, (In-charge) Ministry of Corporate Affairs, Chennai and the report dated 13.3.2012 filed by the Official Liquidator, High Court, Madras in C.P.No.28/2012, and the advertisement of the company petition having been made in one issue of English Daily "The Times of India" (Chennai Edition) dated 3.2.2012, and also in one issue of Tamil Daily "Makkal Kural" (Local edition) dated 2.2.2012, and this Court having dispensed with the convening, holding and conducting of the meeting of the equity shareholders of the Applicant company by an order dated 23.1.2012 and made in C.A.No.51 of 2012, and the order of this Court dated 25.1.2012, and made in C.P.No.28/2012, and on perusal of the report of the Official Liquidator, High Court, Madras summarising the report of the Chartered Accountant, to the effect that the affairs of the transferor company had not been conducted in a manner prejudicial to the interest of its members or the public interest and they do not come across any act of misfeasance by the directors attracting the provisions of Sections 542 and 543 of the Companies Act, 1956, and the

Regional Director filed this affidavit stating no specific objection to the scheme, and this Court doth hereby sanction the Scheme of Amalgamation annexed hereunder with effect from 1.4.2010 and declare the same to be binding on all the shareholders of the said companies, and the said companies, THIS COURT DOTH FURTHER ORDER AS FOLLOWS:-

(1) That, the Petitioner Company herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.

(2) That, the parties to the Scheme of Amalgamation or any other person interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out this Scheme of Amalgamation annexed hereunder.

(3) That the Transferor Company viz., M/s.Orchid Research Laboratories Limited shall be dissolved without being wound up.

(4) That the learned Additional Central Government Standing Counsel be and is hereby entitled to a fee of Rs.10,000/- (Rupees ten thousand only) from the petitioner.

ANNEXURE:

- 16 -

WITNESS, The Hon'ble Thiru M.YUSUF EQBAL, Chief Justice  
of Madras High Court, aforesaid this the 20th day of March,  
2012.

Sd/-

DEPUTY REGISTRAR(O.S).

//CERTIFIED TO BE A TRUE COPY//  
DATED THIS THE 22nd DAY OF March 2012.

  
COURT OFFICER

From 25<sup>th</sup> September 2008 the Registry is issuing certified  
copies of the Orders/Judgments/Decree in this format.

-17-

bs/22.3.2012

COMP.PETN.No.28 of 2012

ORDER DATED: 20.3.2012

THE HON'BLE MR.JUSTICE  
A.ARUMUGHASWAMY

FOR APPROVAL ON: 22.3.2012

APPROVED ON: 22.3.2012

COPY TO:

1. The Official Liquidator,  
High Court, Madras.
2. The Regional Director,  
Southern Region,  
5th Floor, Ministry of  
Corporate Affairs,  
No.26, Haddows Road,  
Chennai-6.
3. The Registrar of  
Companies, II Floor,  
No.26, Haddows Road,  
Chennai.6.

AQ0022651



**MEMORANDUM OF ASSOCIATION**

**OF**

**ORCHID CHEMICALS & PHARMACEUTICALS LIMITED**

- I. The name of the Company is **"ORCHID CHEMICALS & PHARMACEUTICALS LIMITED"**.
- II. The Registered Office of the Company will be situated in the State of Tamil Nadu.
- III. The objects for which the Company is established are:

**A. MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:**

- 1. To carry on the business of dealers, manufacturers, agents, distributors of Drugs, Bulk Drugs and Pharmaceuticals of every description and application with indigenous and/or imported technology, pharmaceutical formulations like liquids, capsules, tablets, powders, mixtures, antibiotics enzymes and fluids of every description, all intermediates and by-products of any of the above, surgical and health aids of varied nature like syringes, gloves, surgical & sanitary towels, napkins, Pharma based cosmetics.
- 2. To carry on the business of manufacturers, distributors, dealers and agents, analytical chemists, chemical and medicinal preparations, articles, compounds, surgical and scientific apparatus, equipment, appliances, instruments and medical engineering goods of varied descriptions.
- 3. To carry on the business of manufacturers, dealers and distributors of fine chemicals, organic, inorganic and biochemical substances or formulation, alkalies, acids, bases, solvents, alcohols, ethers, aromatics etc., employing any process of halogenation, hydrogenation, sulphonation, nitration, oxidation, reduction, calcination, extraction, separation, distillation, dehydration, evaporation, condensation, crystallisation, ionidation, fermentation etc.

4. To conduct research, development, in all kinds of bulk drugs, pharmaceuticals of every description, and / or demonstrate, application, biotechnological and biochemical processes and perform contract research in order to contribute to innovative process technology development & Research on various pharmaceutical and other related products and to put in continuous efforts in discovering and developing new molecules as drugs in pharmaceutical, biotech, healthcare, agriculture, marine and industrial sectors, including development of products and applications in Anti-microbial screening, Clinical pharmacology, recombinant DNA products, genetic engineering products, healthcare products, herb and herbal related products, Ayurvedic and Unani products, therapeutics, diagnostic kits, vaccines, medicinal plants and extracts and active ingredients, industrial enzymes, biotech and medicinal formulations, nutrients, biopesticides, bioinsecticides, enzymes, animal feeds, and biopolymers as well as bioinformatics, genomics and proteomics and to create and licence technology / intellectual property rights for development of processes, products and services.\*
5. To develop, establish, maintain and aid in the development, establishment and maintenance of laboratories, research stations, containment facilities and programmes for the purpose of effecting improvement of all kinds of pharmaceuticals, Ayurvedic and Unani products, biotech products in medicine, animal feeds and to develop new biotech, pharmaceutical and other areas of product lines useful in pharmaceutical, healthcare, medicine and industry and also to enter into Collaboration with various Indian/ foreign Companies in the field of research in order to meet global challenges and to Conduct National/ International collaborative research in various pharma products, Ayurvedic and Unani products, curriculum and media development and to conduct study of sociological aspects of drug use and abuse and rural pharmacy, etc. including conducting programmes in pharmaceutical management.\*
6. To access, process, trade and transfer technology in the field of Life Sciences, Tissue Culture, Molecular Biology, Agro and Immuno Technology, Bioinformatics, Genomics, Proteomics, R & D, both basic and applied research as well as contract development in the above relevant fields and to distribute, market, sell or assign the intellectual property rights or the technology in respect of the products or processes or patented process, of the pharmaceuticals of every description, biotechnological and biochemical processes developed to any other individual, firm, body corporate for a lump sum payment, royalty, technical fees, know-how fees or any other fee etc\*

\* **“Incorporated consequent to Scheme of Amalgamation of Orchid Research Laboratories Limited with the Company vide Order dated 20.03.2012 by Honorable High Court of Madras”**

**B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:**

1. To acquire and hold shares in any other company and to pay for properties, rights, or privileges acquired by this company, either in shares of the Company or partly in shares and partly in cash, or otherwise, and to give shares or stock of this Company in exchange for shares or stock of any other company or person.
2. To negotiate loans, draw, accept, endorse, discount, buy, sell and deal in bills of exchange, promissory notes, bonds, debentures, coupons and other negotiable instruments and securities.
3. To receive money, securities and valuables of all kinds on deposit at interest or for custody on such terms and conditions as may be expedient.
4. To borrow or raise money and secure and discharge any debt or obligation of binding on the Company in such manner as may be thought fit, and in particular by mortgage of the undertaking and all or any of the immovable and movable property, (present or future) and the uncalled capital of the Company, or by the creation and issue, on such terms as may be thought expedient, of debentures or debenture stock, perpetual, or otherwise or other securities of any description.
5. To employ experts to investigate and examine into the condition, management, prospects, value, character and circumstances of any business, concerns and undertakings and generally of any asset, property or rights.
6. To give guarantees and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under any debentures, bonds, debenture stocks, mortgages, charges, contracts, obligations and securities and the payment of dividends and the repayment of the capital of stocks and shares.
7. To purchase, take on lease or in exchange, hire and otherwise howsoever acquire any immovable property or movable property, patents, licences, rights and privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, tenements, buildings and easements and to pay for same either in cash or in shares or securities and to sell, let, lease or under lease or otherwise, dispose of or grant right over any immovable property belonging to the Company.
8. To purchase or otherwise acquire, erect, maintain or reconstruct any buildings, offices, workshops, mills, plants, machinery and other things found necessary or convenient for the purposes of the Company.

9. To undertake and execute any trusts and also to undertake and execute the offices of Executor of the will of any deceased persons, administrators of any deceased persons, trustees for debenture holders or debenture stock holders of any Company and of Receiver, Treasurer, to appoint trustees, to hold securities on behalf and to protect the interests of the Company.
10. To open current or other accounts with any banks or merchants, to pay money into and draw money from such accounts.
11. To amalgamate, enter into partnership or make any arrangements for sharing profits, union of interests, co-operation, joint venture or reciprocal concession, or for limiting competitions with any individual, persons or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on.
12. To distribute any of the Company's property among the members in specie, subject to the provisions of the Companies Act, 1956 in the event of winding up.
13. To form, promote, subsidise, organise and assist or aid in forming, promoting, subsidising, organising or aiding companies, syndicates, or partnerships of all kinds for the purpose of accepting and undertaking any property and liabilities of this Company, or for advancing directly or indirectly the objects thereof.
14. To acquire, purchase, takeover and/or amalgamate business of companies which under existing circumstances, from time to time, may conveniently or advantageously be combined with the business of the Company, to amalgamate with companies whose business are so acquired, purchased or taken over and/or to enter into agreement with the object of acquisition of such undertakings and/or business.
15. To invest in Government securities or in other securities including bills of exchange, acceptance, as may from time to time be determined by the directors and from time to time to sell or vary all such investment and to execute all assignments, transfer, receipts and documents that may be necessary in that behalf.
16. To sell, lease out and in any way or other manner deal with or dispose of the undertaking or property of the Company, or any part thereof, for such considerations as the Company may think fit, and in particular for shares, debentures and other securities of any other company having objects altogether or in part similar to those of the Company.

17. To pay all costs and expenses incurred or sustained in or about the promotion, incorporation and establishment of the Company, or which the Company shall consider to be preliminary out of the funds of the Company.
18. To sell, dispose of, or transfer the business, property and undertakings of the Company, or any part thereof, for any consideration which the Company may deem fit to accept.
19. To enter into partnership or into any arrangement for sharing profits, amalgamation, union of interest, co-operation or otherwise with any person/persons or company carrying on, or about to carry on or engaged in any business undertakings or transaction which the Company is authorised to carry on and to lend money to guarantee the contracts or otherwise assist any such person, firm or company, and to place, take or otherwise acquire and hold shares in any such company.
20. To establish and support or aid in or otherwise contribute to the establishment and support of associations, institutions, provident and other conveniences calculated to benefit employees or the ex-employees of the Company or its predecessors in business or the dependents of such persons and to grant pensions and allowances to make payment towards insurance.
21. To provide for the welfare of the directors, officers, employees and ex-directors, ex-officers, and ex-employees of the Company and the wives, widows and families of such persons, by building or contributing to the building or house, dwelling or chawls by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident or other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institution and objects which shall have any moral or other claim to support and by the Company either by reason of locality of operation or of public and general utility or otherwise.
22. To donate, contribute, subscribe, promote, support or aid or otherwise assist, guarantee money to charitable, benevolent, religious, scientific, national, public or other institutions, funds or objects or for any public objects.
23. To assume such social responsibilities and obligations as may from time to time be decided depending upon the ideologies and social values prevalent at that time and to assist the Government in achieving its various socio-economic goals in any manner as may from time to time be decided.

24. To undertake and carry on and engage in executing all kinds of financial, commercial, trading, hiring, purchasing, selling, importing, exporting and other operations in connection with the above objects, either alone or in conjunction with any other business-house doing similar business, on its own or on a commission basis.
25. To generate, produce, buy, sell, resell, acquire, transmit, distribute, protect, supply or power plants, solar power plants, captive power plants and any other power plants based on any source of energy as may be developed or invented in future.

As amended  
by Special  
Resolution  
dated  
16.06.97

**C. OTHER OBJECTS:**

1. To carry on the business of manufacturing, buying, selling, re-selling, exchanging, altering, importing, improving, assembling or distributing or dealing, in motor vehicles, trucks, tractors, chassis, motor cycles, buses, lorries, passenger buses, omnibuses, engines, locomotives, turbines, tanks, ships, boats, barges, launches, aeroplanes, airships, sea-planes, balloons and aircraft of every description and other vehicle and components or motor vehicle replacement parts, tools, implements, spare parts, accessories, materials and products of every description and to undertake repairs and servicing and/or deal in the aforesaid terms.
2. To act as management consultants and provide advice, services, consultancy in various fields, general administrative, commercial, legal, economical, labour, industrial and public relation, scientific, technical, medical, direct and indirect taxation and other levies, statistical accountancy, quality control and data processing.
3. To carry on the business of an investment company in all its aspects and branches and for that purpose to acquire, purchase, exchange, underwrite, guarantee, subscribe, hold, sell, trade, hypothecate and deal in shares, stocks, debentures, debenture stocks, bonds, obligations, units, securities and other investments issued, sold, transferred or guaranteed by any company or by any Government in India or outside India, public body, municipal authority, local authority or otherwise, whether issued in India or elsewhere and from time to time, sell and vary the same and also to act as financiers, investors, promoters, finance and share brokers and undertake and execute any trust for the above.
4. To carry on business of real estate and development in all its branches, to buy lands, buildings, purchase and otherwise acquire any lands, buildings, and structures or interest or rights therein and to develop such lands into building sites and/or construct, hold and let out, sell plots of land and buildings, apartments and structures.

5. To carry on the business of general merchants, industrial financiers, contractors, importers, exporters and to undertake and transact all kinds of selling agency and other agency or business which an ordinary individual may legally undertake.
6. To carry on the business as manufacturers, merchants, traders, commission agents, brokers, or in any other capacity in India or elsewhere and to import, export and buy, sell, barter, exchange, pledge, mortgage, advance upon or hold in lieu or otherwise deal in goods, produce, articles and merchandise, of any kind.
7. To acquire, lease or lend sophisticated office machineries such as computers, tabulators, equipments, addressing machines and other equipment and leasing or lending such equipment for providing service of these machines to various clients.
8. To manage, assist and/or to provide know-how for managing Industrial Enterprise, Hotels and Restaurants.
9. To carry on and undertake any business, undertaking, transaction of operation commonly carried on or undertaken by promoters, financiers, concessionaires and contractors.
10. To act as Selling Agents of manufacturing companies, publicity and Advertising Agents and also to provide specialised services in investor relations, relating to the above objects.
11. To act as managers and/or Registrars to public issues of other companies, carry on the business of Issue House for shares, debentures and bonds and act as investment advisers, financial advisers, to individuals or companies or advice on portfolio management to corporations, companies or individuals.
12. To transact or carry on all kinds of agency business and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.
13. To carry on business of Travel Agency and to act as tourist agents and contractors and to facilitate travelling and to provide for tourists and travellers, or promote the provision of conveniences of all kinds.
14. To carry on business as proprietors and publishers of newspapers, journals, magazines, book and other literary works and undertakings.
15. To carry on all or any of the business of printers, Stationers, lithographers, type founders, stereotypers, photographic printers, photolithographers, chromelithographers, engravers, die-sinkers, book binders, designers, draughtsmen, paper and ink manufacturers, book-sellers, publishers, advertising agents, engineers and dealers in or manufacturers of

any other articles or things or any of them or concerned therewith.

16. To carry on the business as timber merchants, saw mill proprietors, furnishers, and buy, sell, grow, prepare, for market, manipulate, import, export and deal in timber of all kinds and to manufacture and deal in articles and furniture of all kinds.
17. To carry on the business of exporters and importers, function as Export House and deal in all varieties of commodities and for this purpose to also engage in ancillary services such as shipping, forwarding, road transport, inland transport.
18. To carry on in all their aspects and branches the business of general finance, safe deposits and guarantees, including hire purchase and leasing.
19. To carry on all or any of the business of manufacturers of and dealers in organic and inorganic chemicals, petrochemicals, fertilizers, manures, pesticides, calcium carbide, ethyl-alcohol, coaltar hymedicines, ointment, essences, acids, toilet requisites, soaps, detergents, cosmetics, perfumes, dyes, paints, colours, pigments, varnishes, inks, explosives, ammuniton, fuels, oils, greases, lubricants, vegetable oils and cotton seed oils.
20. To carry on all or any of the business of manufacturing, processing and dealing in iron and steel, ferro-alloys, special steels, Aluminium, Copper, lead, zinc and their alloys and products and manufacturing and dealing in industrial machinery, boilers, internal combustion engines, ball, roller and tapered bearing, tubes, cables, wires, pipes, cookers, printing machinery and textile machinery and their components and accessories.
21. To carry on all or any of the business of makers of dealers in scientific and industrial instruments of all kinds for indicating, recording, controlling, measuring and timing and machine tools, precision tools, surgical instruments and appliances and artificial limbs, dental and optical equipment and goods, anatomical, orthopedic and surgical appliances of all kinds and providers of all requisites for hospitals, patients and invalids.
22. To carry on the business of advertising and agent, to acquire and dispose of advertising time, space or opportunities in any media, to undertake advertising and promotional campaigns of every nature, to acquire, and provide promotional requisites.
23. To carry on all or any of the business of engineers, smelters, tin-plate makers, iron, brass and other metal founders, iron-founders, machinists, tool makers, wire drawers, tube pipe and tank manufacturers, moulders, metallurgists and metal workers, fitters, millwrights, galvanisers, electro platers and enamellers.



24. To manufacture, buy, sell, exchange, alter, repair, improve, manipulate, prepare for market, import or export and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, substances, materials, and things, necessary or convenient for carrying on any of the above specified business or proceedings or usually dealt in by persons engaged in the like.
25. To carry on the business of electricians, electrical/electronic, mechanical and automobile manufacturing and consulting engineers.
26. To carry on business as manufacturers and makers or repairers and dealers in metal, wood, enamel, aluminum, alloys and other products, substances, articles and things of every description and kind and to carry on and conduct Workshop and foundries of iron, brass and other metals, wood and any other substances and to buy, sell, export, import, manipulate and deal in products, commodities, goods or articles and things of all kinds referred to in these presents.
27. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on all scientific and technical research, experiments and tests of all kinds and to promote studies and research both scientific and technical investigations and invention by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conveniences and by providing the remuneration of scientific or technical professors or teachers and by providing for the award of exhibition, scholarship, prizes and grants to students or otherwise, and generally to encourage promote and reward studies, research, investigation, experiment, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
28. To carry on in India and elsewhere all or any of the business of hoteliers and restaruanters, caterers, cab-owners and hirers, pharmacy and drug house owners, travel agents, provision and general merchants, theatre owners, proprietors of art saloons, beauty parlours, shopping arcades, health clubs and clubs dealing in sports, art and entertainment activities including music, dance and drama and any other business which can be conveniently and efficiently carried on in connection thereto.
29. To buy, sell, dispose of and deal in coal, limestone, brick-earth, lime bricks, fire-bricks, pipes, tiles, fire and other clays, building materials, engineering products, wire ropes and electrical or mechanical plant and machinery.

30. To carry on the business of general merchants, contractors, agents, factors, general exporters and importers, of all kinds of goods and deal in all kinds of dyes, paints and chemicals, oil of every description, either vegetable oils or mineral oils, petroleum oil and all liquid and solid hydrocarbons, hardware, turnery, wearing apparel and household and personal provisions, fittings, utensil, ornaments and articles, tobacco, wines and spirits, groceries and provisions and sugar and all sugar products and by products and all kinds of metals.
31. To carry on the business of merchants, commission and other agents, warehousemen, wharfingers, underwriters, contractors and general engineers.
32. To carry on the business of design, construction and running of all kinds of hospitals, dispensaries, clinics, laboratories and health clubs.
33. To design, manufacture, import, export, buy, sell, install, maintain and improve all kinds of equipment and instrumentation for hospitals, dispensaries, clinics, laboratories and health clubs.
34. To set up laboratories, purchase and acquire any equipment and instruments required for carrying out medical research.
35. To educate and train medical students, nurses, midwives and hospital administrators and to grant such diplomas or recognitions as the Company may prescribe or deem fit from time to time.
36. To carry on the business of manufacturers, dealers, exporters, importers, hirers and agents of all kinds of consumers and industrial electronic products, telecommunication equipment, satellite and other communication systems, computers and peripherals thereof and related services.
37. To start and conduct dairies, farms, poultries and produce and kinds, in particular, milk, cream, butter, cheese, poultry and eggs, fruits, honey and vegetables.
38. To carry on business as keeper of cows, buffaloes and sheep and manufacture and supply all kinds of condensed agents and open branches and depots for the sale and purchase of milk products.
39. To carry on the business of manufacturers and dealers in chemicals of all varieties, cement and its allied products.
40. To buy, sell, import, export, manipulate and deal in textiles and crockeries.

41. To manufacture all metals, their salts and various inorganic and organic compounds by all public methods now prevalent or as may be devised in future.
42. To carry on the business of oilmen, importers and manufacturers and as dealers in cosmetic items, perfumeries, photographic and scientific apparatus and materials.
43. To carry on the business of manufacturers of and dealers in fibres of all kinds, including chemical fibres and articles and clothes made of chemical fibres and altogether materials and substances and or obtained in the manufacture and treatment of such fibres and their products.
44. To carry on all the business of manufacturers and distributors of and dealers in engravings, prints, pictures, drawing and any written copies, cyclostyles, stereotyped monolithic, engraved painted or printed products.
45. To carry on the business of iron founders, mechanical engineers and manufacturers of all kinds of tools, implements, machineries, tool makers, iron founders, millwrights, machinists, iron and steel converters, wood-workers, builders, painters, electrical engineers, water supply engineers, steam engineers and gas engineers.
46. To buy, sell, manufacture, repair, convert, alter, let on hire and deal in implements, rolling stocks and hardwares of all kinds.
47. To carry on the business of contractors, estimators, planners, designers, research workers and dealers in electrical, mechanical, automobile and railway equipment and to undertake and execute contract for works involving the supply, erection, testing and the use of machinery in all branches of engineering.
48. To manufacture and fabricate electrical cables and wires pertaining to industrial, domestic and automotive applications.
49. To carry on the trade or manufacture of plastic, moulds and components of plastic, rexins, fibre, fibre glass, leather, polythene, rubber, electrical insulating materials and allied products and to act as agents and manufacturer's representatives.
50. To manufacture mechanical, electrical, civil, building electronic marine and other engineering goods.
51. To undertake repairs and servicing of mechanical, electrical, electronic and other engineering goods.

52. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects, or any of them and as principal agents, contractors, trustees or otherwise, and by or through trustee, agents or otherwise and either alone or in conjunction with other and so that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons, whether incorporated or not incorporated and the intention is that the objects set forth in each of the several paragraphs of this clause shall have widest possible construction and shall be in no way limited or restricted by reference to or in inference from the terms of any other paragraph of this clause or the name of the Company.

**AND IT IS HEREBY DECLARED THAT:**

The objects set forth in each of the several clauses of paragraph III hereof shall have the widest possible construction and shall extend to all parts of the world and the objects set forth in any clause of sub-paragraph C shall, subject to the provisions of the Companies Act, 1956 be independent and shall in no way be limited or restricted reference to or inference from the terms of the clauses of sub-paragraph A or by the name of the Company.

- IV The liability of the Members is Limited.
- V The Authorised Share Capital of the Company is Rs.150,00,00,000 (rupees one hundred and fifty crore only) divided into 15,00,00,000 (fifteen crore only) equity shares of Rs. 10/- (rupees ten only) each.\*

**\* "Amended consequent to Scheme of Amalgamation of Orchid Research Laboratories Limited with the Company vide Order dated 20.03.2012 by Honorable High Court of Madras"**

The Company has power from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions, or restrictions, as may be determined by or in accordance with the Articles of the Association of the Company and to vary, modify or aggregate any such right, privilege or conditions or restrictions, in such manner as may be from time to time permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

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

SI No.	Name of Subscribers	Address, Occupation, Description of Subscribers	No. of equity shares taken by each subscriber	Signature of Subscriber	Signature of witness and their address Descriptions and Occupations
1.	K. Raghavendra Rao	D-2, Shamrock Apartments 126, Santhome High Road Madras - 600028 BUSINESS S/o. Sri. A. Kailasam	10 (Ten)	Sd/-	Sd/- M.R. Vijayashankar S/o. M.G. Ranganathan CHARTERED ACCOUNTANT 16, III Street, Dr. Thirumurthy Nagar, Madras - 600034.
2.	R.Vijayalakshmi	D-2, Shamrock Apartments 126, Santhome High Road Madras - 600028 BUSINESS W/o. Sri. K. Raghavendra Rao	10 (Ten)	Sd/-	
3.	C. Bhaktavatsala Rao	67-1. Kamdar Nagar Madras - 600034 COMPANY EXECUTIVE S/o. Sri. C. Satyanaravana Rao	10 (Ten)	Sd/-	
4.	N. Subramanian	9, Pattammal Street Krishnapuram Ambattur Maadras - 600053 GOVT. SERVICE (Rtd.) S/o. M.S. Narayanaswamy Madras - 600053.	10 (Ten)	Sd/-	
5.	N. Sambasivam	9, Pattammal Street Krishnapuram Ambattur Maadras - 600053 COMPANY EXECUTIVE S/o. M.S. Narayanaswamy	10 (Ten)	Sd/-	
6.	Dr. Rajagopal Kailasam	D-2, Shamrock Apartments 126, Santhome High Road Madras - 600028 DOCTOR IN PRIVATE SERVICE S/o. Sri. A. Kailasam	10 (Ten)	Sd/-	
7.	M. Narayana Reddy	A-11, Landons Towers 47, Landons Road, Kilpauk Madras - 600010 COMPANY EXECUTIVE S/o. M.V. Subba Reddy	10 (Ten)	Sd/-	
		Total	70 (Seventy)		

**Date : 22.06.1992**

**Place : Madras**

**ARTICLES OF ASSOCIATION  
OF  
ORCHID CHEMICALS & PHARMACEUTICALS LIMITED  
CONSTITUTION**

1. The regulations contained in Table A in the First Schedule to the Companies Act, 1956 shall apply to the Company except in so far as such regulations are embodied in these following Articles.

**INTERPRETATION**

2. In these presents, the following words and expression shall have the following meanings unless excluded by the subject or context; words importing the singular shall include the plural and vice versa; words importing the masculine gender shall include the feminine gender and vice versa; and words importing person shall include bodies corporate.

**THE ACT AND SECTION**

- a) "The Act" means Companies Act, 1956 and every relevant Companies Act for the time being in force concerning Joint Stock Companies; and the word "Section" relates to the relevant Section in the Companies Act, 1956.

**'THE COMPANY' OR 'THIS COMPANY'**

- b) "The Company" or "This Company" means **ORCHID CHEMICALS & PHARMACEUTICALS LIMITED**.

**AUDITORS**

- c) "Auditors" means Auditor or Auditors for the time being of the Company.

**THE BOARD OR BOARD OF DIRECTORS**

- d) "The Board" or "Board of Directors" means a meeting of the Directors duly called and constituted, as the case may be, the Directors assembled as a Board or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.

**DEBENTURE**

- e) "Debenture" includes debenture stocks.

**IN WRITING**

- f) "In Writing" includes printing, lithography, typewriting and other usual substitutes for writing.

**MEMBERS\***

- g) "Members" means a member as defined under Section 41 of the Act.

**MONTH**

- h) "Month" shall mean Calendar Month.

**OFFICE**

- i) "Office" means the Registered Office for the time being of Company.

**PERSON**

- j) "Person" shall include any corporation as well as individual.

**THESE PRESENTS OR REGULATIONS**

- k) "These Presents or Regulations" mean these Articles of Association as originally framed or altered from time to time including the Memorandum where the context so requires.

**THE REGISTER**

- l) "The Register" shall mean the Register of Members to be kept as required by Section 150 of the Act.

**THE SEAL**

- m) "The Seal" means the Common Seal for the time being of Company.

**SECRETARY**

- n) "Secretary" means any individual possessing qualification prescribed for the time being by any rule made under the Act and appointed by the Board to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties.

**SPECIAL RESOLUTION**

- o) "Special Resolution" shall have the meaning therein by Section 189 of the Act.

**BENEFICIAL OWNER\***

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

**DEPOSITORIES ACT, 1996\***

- q) "Depositories Act, 1996" shall include any statutory modifications or re-enactment thereof.

**DEPOSITORY\***

- r) "Depository" shall mean Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

\* "As amended by Special Resolution dated July 10, 1998"

**SHARE CAPITAL**

**AMOUNT OF CAPITAL**

3. The Authorised Share Capital of the Company is Rs. 150,00,00,000 (rupees one hundred and fifty crore only) divided into 15,00,00,000 (fifteen crore only) equity shares of Rs.10/- (rupees ten only) each.\*

**\* "Amended consequent to Scheme of Amalgamation of Orchid Research Laboratories Limited with the Company vide Order dated 20.03.2012 by Honorable High Court of Madras"**

**INCREASE IN CAPITAL**

4. The Company in General Meeting, may from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, the increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct, and if no direction be given, as the 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 in conformity with Sections 87 and 88 of the Act. Wherever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.



### **NEW CAPITAL SAME AS EXISTING CAPITAL**

5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference, to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

### **REDEEMABLE PREFERENCE SHARES**

6. Subject to the provision of Section 80 of the Act, the Company shall have the power to issue Preference shares which are, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

### **PROVISION TO APPLY ON ISSUE OF REDEEMABLE PREFERENCE SHARES**

7. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect:
  - a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of other proceeds of fresh issue of shares made for the purpose of redemption.
  - b) no such shares shall be redeemed unless they are fully paid.
  - c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed.
  - d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall out of profits which would otherwise have been available for dividends be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provision of the Act relating to the reduction of the share capital of the Company shall except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

### **REDUCTION OF CAPITAL**

- 8.a) The Company may (subject to the provisions of Sections 78, 80 and 100 to 105 inclusive of the Act) from time to time by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being

authorised by law, and in particular capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

As  
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by Special  
Resolution  
dated  
16.06.97

- 8.b) Notwithstanding anything contained in sub-clause (a) above, in the event it is permitted by the Law and subject to such limits, terms, conditions and consents as may be prescribed and laid down for the purpose, the Company shall have the power to buy-back its own shares, whether or not there is any consequent reduction of Capital. If and to the extent permitted by Law, the Company shall also have the power to re-issue the shares so bought back.

### **SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARES**

9. Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, consolidate all or any of its share capital into shares of larger amount than its existing shares or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the memorandum and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject to as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

### **MODIFICATION OF RIGHTS**

10. If at any time share 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 any class (unless otherwise provided, by the terms of issue of the shares of that class) may subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound-up be varied, modified commuted, affected or abrogated with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if these Articles were omitted. The provision of these Articles relating to general meetings shall mutatis mutandis, apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined above is not present, those persons who are present shall be the quorum.

### **BOARD MAY ACCEPT SURRENDER OF SHARES**

11. Subject to the provisions of Sections 100 to 105 (inclusive) of the Act, the Board may

accept from any member on such terms and conditions as shall be agreed a surrender of all or any of his shares.

## **SHARES AND CERTIFICATES**

### **REGISTER AND INDEX OF MEMBERS**

- As amended by Special Resolution dated 10.07.98
12. The Company shall keep a Register and Index of Members in accordance with Section 150, 151 and 152A of the Act and the details of the members holding shares both in material and dematerialised form in any media as permitted by law including electronic media. The Company shall also be entitled to keep in any state or country outside India a Branch Register of Members resident in that state or country.

### **SHARES TO BE NUMBERED PROGRESSIVELY AND NO SHARE TO BE SUB-DIVIDED**

- As amended by Special Resolution dated 10.07.98
- 13.a) The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
- b) Nothing contained in sub-clause (a) above, shall apply to shares held in the Depository form.

### **FURTHER ISSUE OF CAPITAL**

14. a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at that date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

- b) Notwithstanding anything contained in the preceding sub-clause, the Company may:
- i. by a Special Resolution, or
  - ii. Where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceeds the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person or persons, and such person or persons may or may not include the persons who at date of the offer are the holders of the equity shares of the Company.
- c) Notwithstanding anything contained in sub-clause (a) above, but subject, however to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

### **SHARES UNDER CONTROL OF DIRECTORS**

15. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

### **POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES**

16. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 14 and 15, the Company in general meeting subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a pre-

mium or at par or at a discount, such option being exercisable at such time and for such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

### **ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH**

17. Subject to these Articles and the provisions of the Act, the Board may issue and allot shares in the capital of the Company as payment or in consideration or as part payment or in part consideration of the purchase or acquisition of any property or for services rendered to the Company in the conduct of its business and shares which may be so issued or allotted shall be credited or deemed to be credited as fully paid-up shares.

### **ACCEPTANCE OF SHARES**

18. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a Member.

### **DEPOSIT AND CALL ETC., TO BE A DEBT PAYABLE IMMEDIATELY**

19. The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall, immediately on the insertion of the name or the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

### **CALL IN ADVANCE**

- 19A. Amount paid in advance of calls may entail a right for interest but will not confer a right to dividend or to participate in the profits of the company.

### **LIABILITY OF MEMBERS**

20. Every, member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amount, at such time or times, and in such manner as the Company's, regulations require or fix for the payment thereof.
- 20A. The company will have a first and paramount lien upon all the shares (other than full paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called

or payable at fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the company's lien if any on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

### SHARE CERTIFICATES

21. a) Every member or allottee of shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issue of letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall subject to the provisions of Section 113 of the Act be issued within a period of three months from the date of allotment under the seal of the company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two directors or their Attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

As  
amended  
by Special  
Resolution  
dated  
06.07.94

b) Any two or more joint allottees of a share shall for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound to prescribe charge not exceeding Rupee one. The Company shall comply with the provisions of Section 113 of the Act.

c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipments or other material used for the purpose.

As  
amended  
by Special  
Resolution  
dated  
04.12.92

d) Share/Debenture Certificates shall be issued in marketable lots and where Share/Debenture Certificate are issued for either more or less than marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.

As  
amended  
by Special  
Resolution  
dated  
10.07.98

e) The Company shall be entitled to dematerialise its shares, debentures and other securities

pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form.

- f) Notwithstanding anything contained in Article 21, the Board shall not accept application(s) for subdivision or consolidation of shares or debentures or bonds into denominations of less than marketable lots except when such a subdivision or consolidation is required to be made to comply with a statutory order or an order of a competent court of law or a request from a member to convert his holding of odd lots of shares or debentures or bonds into transferable/marketable lot subject, however to verification by the Company.

As  
amended  
by Special  
Resolution  
dated  
10.07.96

### **RENEWAL OF SHARE CERTIFICATE**

22. a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the cages on the reverse for recording transfer have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.
- b) When a new share Certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. sub-divided/replaced/on consolidation of shares".
- c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
- d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate" issued in lieu of share certificate No. The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- f) All blank forms to be issued for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be

consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of those forms to the Board.

- g) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificate referred to in clause (f) of this Article.
- h) All books referred to in clause (g) of this Article shall be preserved in good order permanently.

#### **THE FIRST NAMED OF JOINT-HOLDERS DEEMED SOLE HOLDER**

- 23. If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipts of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all installment and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

#### **COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER**

- 24. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more person or the survivor or survivors of them.

#### **DECLARATION BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARE**

- 25. a) Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the bene-



ficial interest in such share in such manner as may be provided in Section 187C of the Act.

- b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in Section 187C of the Act.
- c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such, change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 187C of the Act.
- d) Notwithstanding anything contained in Section 153 of the Act and Article 21 hereof, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
- e) Nothing contained in Section 187C of the Companies Act, 1956 shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

As  
amended  
by Special  
Resolution  
dated  
10.07.98

#### **UNDERWRITING AND BROKERAGE COMMISSION MAY BE PAID**

26. Subject to the provision of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company or procuring, or agreeing to procure subscription (whether absolute or conditional) for any share or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

#### **BROKERAGE**

27. The Company may pay a reasonable sum for brokerage.

### **INTEREST OUT OF CAPITAL INTEREST MAY BE PAID OUT OF CAPITAL**

28. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of plant.

### **TRANSFER AND TRANSMISSION OF SHARES REGISTER OF TRANSFERS**

29. The Company shall keep a Register of Transfer and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share.

### **INSTRUMENT OF TRANSFER**

30. A transfer of shares in the Company shall be by an instrument of transfer in writing in the prescribed form and shall be duly stamped and delivered to the Company in accordance with the provisions of the Act.

### **TRANSFER FORM TO BE COMPLETED AND PRESENTED TO THE COMPANY**

31. a) The instrument of transfer shall be accompanied by such evidence as the board may require to prove the title of transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of transfer the certificate of the shares must be delivered to the Company.

As amended by Special Resolution dated 04.12.92

- b) The company shall effect transfer, transmission, sub-division or consolidation within one month from the date of lodgement of documents.

As amended by Special Resolution dated 10.07.98

- c) Notwithstanding anything contained in the Articles of Association, in the case of transfer of shares or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.

### **TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED**

32. The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated to close the Transfer Books, Register of Members or Register of

Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

#### **NOTICE OF APPLICATION WHEN TO BE GIVEN**

33. Where in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

#### **DEATH OF ONE OR MORE JOINT-HOLDERS OF SHARES**

34. In case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, 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 persons.

#### **TITLE OF SHARES OF DECEASED MEMBER**

35. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the share registered in the name of such member and the Company shall not be bound to recognise such executors or administrators or holder or a Succession Certificate or the legal representatives unless they have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be from a duly constituted Court in the Union of India, provided that in any case where the Board in its absolute discretion, thinks fit, it may dispense with production of Probate or Letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 36, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

#### **NO TRANSFER TO MINOR ETC.**

36. No share shall in any circumstance be subscribed for transfer to any infant, minor, insolvent or person of unsound mind.

#### **REGISTRATION OF PERSONS ENTITLED TO SHARES**

##### **OTHERWISE THAN BY TRANSFER**

37. Subject to the provisions of the Act and Articles 34 and 35 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member,

or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some persons nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.

**PERSONS ENTITLED MAY RECEIVE DIVIDEND WITHOUT  
BEING REGISTERED AS MEMBER**

38. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends of money as hereinafter provided, be entitled to receive any and may give discharge for any dividends or other moneys payable in respect of the share.

**FEE ON REGISTRATION OF TRANSFER, PROBATE, ETC**

39. a) No fee shall be charged for :
- i) registration of transfer of the Company's shares and debentures;
  - ii) sub-division and consolidation of shares and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading;
  - iii) sub-division of renounceable letters of right;
  - iv) issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfer have been fully utilised;
  - v) registration of any power of attorney, probate, letters of administration or similar other documents.
- b) Fees as agreed upon with the Stock Exchanges will be charged for
- i) issue of new certificates in replacement of those that are torn, defaced, lost or destroyed;
  - ii) sub-division and consolidation of shares and debenture certificates and for

sub- division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market unit of trading.

### **COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE**

#### **PROHIBITING REGISTRATION OF A TRANSFER**

40. The company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or to be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

### **BORROWING POWERS**

#### **POWER TO BORROW**

41. Subject to the provisions of Sections 292 and 293 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally from any source or raise for the purpose of the Company, borrow or secure the payment of such sums as it thinks fit.

### **TERMS OF ISSUE OF BONDS, DEBENTURES**

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

### **REGISTER OF MORTGAGES, ETC. TO BE KEPT**

43. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 141 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Section 118, 126 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with so far as they fall to be complied with by the Board.

### **REGISTER AND INDEX OF DEBENTURE HOLDER**

44. The Company shall, if at any time issues debentures, keep a Register and Index of debenture- holders in accordance with Section 152 and 152A of the Act and the details of the members holding debentures both in material and dematerialised form in any media as permitted by law including electronic media. The Company shall also be entitled to keep in any state or country outside India a Branch Register of debenture-holders resident in that state or country.

As  
amended  
by Special  
Resolution  
dated  
10.07.98

### **MEETINGS OF MEMBERS**

#### **ANNUAL GENERAL MEETING**

45. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year, provided that no more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166 (1) of the Act to extend the time within which any Annual General Meeting may be held.

#### **EXTRAORDINARY GENERAL MEETING**

46. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of the voting in regard to the matter in respect of which the requisition has been made.

#### **REQUISITION OF MEMBERS TO STATE OBJECT OF MEETING**

47. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the

office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

**ON RECEIPT OF REQUISITION, DIRECTORS TO CALL  
MEETING, IN DEFAULT REQUISITIONISTS MAY DO SO**

48. Upon receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty one days from the date of the requisition being deposited at the office cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

**MEETING CALLED BY REQUISITIONISTS**

49. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

**TWENTY-ONE DAYS' NOTICE OF MEETING TO BE GIVEN**

50. Twenty-one days' notice at least of every General Meeting, Annual, Extraordinary, and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other meeting with the consent of members holding not less than 95 percent or such part of the share capital of the Company as given a right to vote at the meeting, meeting may be convened by a shorter notice in the case of an Annual General Meeting, if any business other than,
- i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors.
  - ii) the declaration of dividend.
  - iii) the appointment of Directors in place of those retiring.
  - iv) the appointment of and fixing of the remuneration of the Auditors is to be transacted, and in the case of any other meeting in any event there shall be annexed to the notice of

the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interests, if any, therein of every Director, and the Manager (if any), where any such item of special business relates to, or affects any other company, the extent of shareholding interest in other company of every Director and the Manager, if any, of the company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other company, where any item of business consists of 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 aforesaid.

### **OMISSION TO GIVE NOTICES NOT TO INVALIDATE A**

#### **RESOLUTION PASSED**

51. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

#### **MEETING NOT TO TRANSACT BUSINESS NOT MENTIONED IN NOTICE**

52. No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

#### **QUORUM AT GENERAL MEETING**

53. Five members present in person shall be a quorum for a General Meeting; No business shall be transacted at any General Meeting unless the requisite quorum shall be present.

#### **BODY CORPORATE DEEMED TO BE PERSONALLY PRESENT**

54. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

#### **IF QUORUM NOT PRESENT, MEETING TO BE DISSOLVED OR ADJOURNED**

55. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, convened upon the requisition of members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place in the city or town in which the office of the Company is for the time being situated as the Board may determine, and if at such adjourned meeting a quo-



rum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

#### **CHAIRMAN OF GENERAL MEETING**

56. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair, then the Vice-Chairman of the Board of Directors shall be entitled to take the chair, at such General Meeting. If at any meeting the Vice-Chairman shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair, then the Directors present shall elect any Director present and willing to take the chair as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall elect one of their member to be the Chairman of such meeting.

#### **BUSINESS CONFINED TO THE ELECTION OF CHAIRMAN**

##### **WHILST CHAIR VACANT**

57. No business shall be discussed at any General Meeting except the election of a Chairman whilst the chair is vacant.

#### **CHAIRMAN WITH CONSENT MAY ADJOURN MEETING**

58. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city or town in which the office of the Company is for the time being situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **QUESTIONS AT GENERAL MEETING HOW DECIDED**

59. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on declaration of the result of the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the meeting or by any member or members holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy, and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up which is not less than Rs. 50,000/- and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried or carried unanimously, or by a particular majority lost, and an entry to that effect in the

Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

#### **CHAIRMAN'S CASTING VOTE**

60. In the case of an equality of votes, the Chairman shall, both on a show of hands and at poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.

#### **POLL TO BE TAKEN IF DEMANDED**

61. If a poll is demanded as aforesaid the same shall subject to Article 61 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the office of the Company is for the time being situated and either by open voting or by ballot, as the Chairman shall direct, 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 at any time by the person or persons who made the demand.

#### **SCRUTINEERS AT POLL**

62. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The chairman shall have power at any time before the result of the poll is declared to remove scrutineers from office and fill vacancy in the office of scrutineers arising from such removal or from any other cause.

#### **IN WHAT CASE POLL BE TAKEN WITHOUT ADJOURNMENT**

63. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith.

#### **DEMAND FOR POLL NOT TO PREVENT TRANSACTION OF OTHER BUSINESS**

64. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

**MINUTES OF MEETINGS**  
**MINUTES OF GENERAL MEETING AND INSPECTION**  
**THEREOF BY MEMBERS**

65. a) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
- b) Each page of every such book shall be initialled or signed and the last page of the record or proceedings of each meeting in such book, shall be dated and signed 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.
- c) In no case shall the minutes of proceedings of a meeting be attached to any such books as aforesaid by pasting or otherwise.
- d) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat.
- e) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as defamatory of any person; (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- f) Any such minutes shall be of the proceedings recorded therein.
- g) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours, for such period not being less in the aggregate than two hours in each days as the Directors determine to inspection of any member without charge.

**DIRECTORS**

**NUMBER OF DIRECTORS**

66. Subject to the provisions of the Companies Act, 1956, the number of Directors shall not be less than three and not more than fifteen.

### **FIRST DIRECTORS**

67. The following persons shall be the first Directors of Company:
- i) Mr. K. RAGHAVENDRA RAO
  - ii) Mrs. R. VIJAYALAKSHMI
  - iii) Dr. C. BHAKTAVATSALA RAO

### **DIRECTORS OF THE COMPANY**

68. Not less than two-thirds of total number of Directors of the Company shall:
- a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and
  - b) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

### **APPOINTMENT OF NON-RETIRING DIRECTORS**

69. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Company Limited (GIC), The Oriental Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company (UI), Himachal Pradesh Mineral and Industrial Development Corporation Limited (HPMIDC) or a State Finance Corporation or any Financial Institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter this Article referred to as "the Corporation") out of any loan/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of 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 Directors, is/are hereinafter referred to as Nominee Directors) on the board of the Company and to remove from such office any person or persons so appointed and to appoint any person in his or their place/s.

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 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 Board of Directors of the company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights privileges and subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Directors so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to Corporation or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

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

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees in relation to such Nominee Director/s shall also accrue to the corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as whole-time Director/s, such Nominee Director/s shall exercise such power and duties as may be approved by the Corporation and have such rights as are exercised or available to whole time director in the management of the affairs of the Company. Such whole-time Director(s) shall be entitled to receive such remuneration, fee, commission, and monies as may be approved by the Corporation.

### **POWER TO APPOINT EX-OFFICIO DIRECTORS**

70. Whenever the Directors enter into a contract with any Government, Central, State or local authority, Institution or any person or persons for borrowing any money or for providing any guarantee of security or for technical collaboration of assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have subject to the provisions of Section 255 of the Act, the power to agree that such government authority, institution, person or persons shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may also agree that any such Director or Directors may be removed from time to time by the Government, institution, person or persons entitled to appoint or nominate them and such person or persons may appoint another or others in his or their place and also fill in any vacancy, which occurs as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including the payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with such person or persons aforesaid.

### **DEBENTURE DIRECTORS**

71. If it is provided by the Trust Deed securing or otherwise, in connection with any issue of debenture of the Company that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation.

### **APPOINTMENT OF ALTERNATE DIRECTOR**

72. The Board may, in accordance with and subject to the provision of Section 313 of the Act, appoint an Alternate Director to act for a Director during latter's absence for a period of not less than three months from the state in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office, if and when the original Director returns, to that state. If the term of office of the original Director is determined before he so returns to state any provisions in the Act or in these Articles for the automatic reappointment of a retiring Di-

rector in default of another appointment shall apply to the original Director and not the alternate Director.

### **DIRECTOR'S POWER TO ADD TO THE BOARD**

73. Subject to the provisions of Sections 260 and 264 of the Act the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 66. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.

### **DIRECTOR'S POWER TO FILL CASUAL VACANCIES**

74. Subject of the provisions of Section 262 and 264 of the Act, the Board shall have power at any time to appoint any other person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

### **SHARE QUALIFICATION OF DIRECTORS**

75. A Director shall not be required to hold any qualification shares.

As  
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by Special  
Resolution  
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### **REMUNERATION OF DIRECTORS**

76. a) Until otherwise determined by the Company in General Meeting, each Director other than the Managing Director and Whole-time Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or committees thereof, a fee as may be fixed by the Board from time to time subject to Government regulation.
- b) Subject to the provisions of the Act, a Managing Director or Director in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- c) Subject to the provisions of the Act a Director who is neither in the Whole-time employment of the Company nor a Managing Director, may be paid remuneration either;
- i) by way of monthly, quarterly or annually payment with the approval of the Central Government; or

- ii) by way of commission if the Company by a Special Resolution Authorises such payment.

**SPECIAL REMUNERATION OF DIRECTORS PERFORMING  
EXTRA SERVICES**

77. If any Director be called upon to perform extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee of the Board), the Board may arrange with such Director for special remuneration for such service or exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

**TRAVELLING EXPENSES INCURRED BY DIRECTOR NOT  
A BONAFIDE RESIDENT**

78. The Board may allow and pay to any director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.

**DIRECTOR MAY ACT NOTWITHSTANDING ANY VACANCY**

79. The continuing Director may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum, the continuing Directors not being less than two may act for the purpose of increasing the number of Director to that number, or of summoning a General Meeting, but for no other purpose.

**WHEN OFFICE OF DIRECTORS TO BECOME VACANT**

80. Subject to Section 283(2) and 314 of the Act the office of a Director shall become vacant if:
- a) he is found to be of unsound mind by a Court of competent jurisdiction; or
  - b) he applies to be adjudicated as an insolvent; or
  - c) he is adjudged as an insolvent; or
  - d) he fails to pay any call made on him in respect of shares of the Company held by him,



- whether alone or jointly with others within six months from the date fixed for the payment of such call unless the Central Government has by notification in the official gazette removed the disqualification incurred by such failure; or
- e) he absents himself from three consecutive meetings of the directors or from all meetings of the directors for continuous period of three months, whichever is longer, without leave of absence from the Board; or
  - f) he becomes disqualified by an order of the court under Section 203 of the Act ; or
  - g) he is removed in pursuance of Section 284; or
  - h) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
  - i) he acts in contravention of Section 299 of the Act; or
  - j) he is convicted by a court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
  - k) having been appointed a director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
  - l) he resigns his office by a notice in writing addressed to the Company.

#### **DIRECTOR MAY CONTRACT WITH COMPANY**

81. 1. A Director or his relative, firm in which such director or relative is a partner; or any other partner in such firm or a private company of which the director is a member or director may enter into any contract with the company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in or debentures of the company, provided that in the case of the Company having a paid-up capital of not less than rupees one crore, no such contract shall be entered into except with the previous approval of the Central Government and the sanction of the Board shall be obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.
2. No sanction shall, however, be necessary for;
- a) any purchase of goods and material from the Company, or the sale of goods or materials to the Company, by any such director relative, firm, partner or private company, as aforesaid for cash at prevailing market prices; or

- b) any contract or contracts between the Company on one side and any such director, relative, firm partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the director, relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000 (rupees five thousand) in the aggregate in any year comprised in the period of the contract or contracts. Provided that in circumstances of urgent necessity, a director, relative, firm, partner or private company as aforesaid may, without obtaining the consent of the Board, enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds Rs. 5,000/- in the aggregate in any year comprised in the period of the contract, if the consent of Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

#### **DISCLOSURE OF INTEREST**

82. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 (2) of the Act. Provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company.

#### **GENERAL NOTICE OF INTEREST**

83. A general notice given to the Board by the directors to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any notice shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

### **RETIREMENTS AND ROTATION OF DIRECTORS**

84. Subject to the provisions of Section 256 of the Act, at every Annual General Meeting of the Company, one third of such of the Directors, for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. In the following Articles 'a Retiring Director' means a Director retiring by rotation.

### **PROVISION IN DEFAULT OF APPOINTMENT**

85. a) If the place of the retiring Director is not so filled up and the meeting had 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 the next succeeding day which is not a holiday, at the same time and place.
- b) If at the adjourned meeting also it has been not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless,
- i. at that meeting or at the previous meeting resolution for the reappointment 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, expressed his unwillingness to be so reappointed;
  - iii. he is not qualified or is disqualified for appointment;
  - iv. a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
  - v. the provision to sub-section (2) of Section 263 of the Act is applicable to the case.

### **COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS**

86. Subject to Section 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may (subject to the provision of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another person instead. The person so appointed shall hold office during such time as Director in whose place he is appointed would have held the same if he had not been removed.

**NOTICE OF CANDIDATE FOR OFFICE OF DIRECTOR EXCEPT  
IN CERTAIN CASES**

87. a) No person not being a retiring Director shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office.
- b) Every person other than a Director or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director posted as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.
- c) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, for a person filling a casual vacancy in the office of Director under Section 262 of the Act immediately on the expiry of his term of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

**REGISTER OF DIRECTORS ETC., AND NOTIFICATION  
OF CHANGE TO REGISTRAR**

88. a) The company shall keep at its office a Register containing the particulars of its Directors, Manager, Secretary and other persons mentioned in Section 303 of the Act and shall otherwise comply with the provisions of the said Section in all respect.
- b) The company shall in respect of each of its Directors also keep at its office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

**DISCLOSURE BY DIRECTOR OF APPOINTMENT TO  
ANY OTHER BODY CORPORATE**

89. Every Director including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act, Manager, or Secretary of the Company shall within twenty days of his appointment to any of the above office in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

**DISCLOSURE BY A DIRECTOR OF HIS HOLDINGS OF  
SHARES AND DEBENTURE OF THE COMPANY ETC**

90. Every Director and every person deemed to be a Director of the Company by virtue of sub-section (1) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.

**DISQUALIFICATION OF DIRECTORS**

91. The Company shall not appoint any person as its Director if:
- a) he has been found to be of unsound mind by a Court of competent jurisdiction and the findings is in force;
  - b) he is an undischarged insolvent;
  - c) he has applied to be adjudicated as an insolvent and his application is pending;
  - d) he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months, and a period of five years has not elapsed from the date of expiry of the sentence;
  - e) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call; or
  - f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 and is in force, unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

**MANAGING DIRECTOR**

**THE BOARD MAY APPOINT MANAGING DIRECTOR**

92. Subject to the provisions of the Act and of these Articles, the Board shall have the power to appoint, suspend or remove from time to time any of its members as Managing Director or Managing Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and subject to the provisions of Article 93, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for such meeting or participation in

profits or by any or all of these modes or any other mode not expressly prohibited by the Act.

### **RESTRICTION ON MANAGEMENT**

93. The Managing Director or Managing Directors shall not exercise the powers to:
- a) make calls on shareholders in respect of money unpaid on the shares in the company;
  - b) issue debentures;
- and except to the extent mentioned in the resolution passed in the Board Meeting under Section 292 of the Act, shall also not exercise the powers to:
- c) borrow moneys otherwise than on Debenture;
  - d) invest the fund of the Company; and
  - e) make loans

### **SPECIAL POSITION OF MANAGING DIRECTOR**

94. A Managing Director shall not while he continues to hold that office be subject to retirement by rotation in accordance with Article 84 if he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director.

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

#### **MEETING OF DIRECTORS**

- As amended by Special Resolution dated 29.07.11
95. a) The Directors may meet together as a Board for despatch of business from time to time, and shall so meet atleast once in every three months and atleast four such meetings shall be held in every year. The Directors may adjourn and other wise regulate their meetings as they think fit.
- As amended by Special Resolution dated 21.10.99
- b) The Board and/or the Committees of the Board may, if the circumstances warrant, meet and/or discuss, resolve by means of telephone, fax, electronic mail, television or through any other audio-visual links known as audio and/or video conferencing instead of physical meetings. The provisions relating to notice, agenda, quorum and minutes stated hereinafter shall, mutatis mutandis, apply to the meetings held through such communication systems and/or audio- visual links and the meetings held in such manner will be considered to have been held in compliance with Section 285 to 292 of the Act.

## NOTICE OF MEETINGS

- As amended by Special Resolution dated 29.07.11
96. Atleast seven days notice of every meeting of the Board shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director provided however that in the case of a Director resident outside India, notice of every meeting of the Board shall also be given to such Director at his address outside India and to his alternate, if any, in India at his usual address in India. Such notice shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board. Provided that a meeting of the Board may be convened in accordance with Article 99 by a shorter notice in the case of an emergency or if special circumstances so warrant.

## QUORUM

- As amended by Special Resolution dated 29.07.11
97. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded of as one) or two Directors, whichever is higher, provided, that where at any time the number of interested Director exceeds or is equal to two-thirds of the total strength in number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

## ADJOURNMENT OF MEETING FOR WANT OF QUORUM

- As amended by Special Resolution dated 29.07.11
98. If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

## WHEN MEETING TO BE CONVENED

99. The Secretary shall, as and when directed by the Chairman or Vice Chairman or by a Director or Directors to do so, convene a meeting of the Board by giving a notice in writing to every Director.

## CHAIRMAN AND VICE CHAIRMAN

100. a) The Board may appoint from amongst its members a Chairman, and a Vice Chairman.
- b) The Chairman of the Board shall be entitled to take the chair at every meeting of the Board. If at any meeting of the Board the Chairman shall not be present within fifteen minutes of the time appointed for holding the same or if he be unable or unwilling to take the chair then the Vice Chairman shall be entitled to take the chair at such Board Meeting,

and failing him the Board may elect one of their members to act as the Chairman of that meeting.

### **POWERS OF THE BOARD MEETING**

101. A meeting of the Board for the time being in which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.

### **DIRECTORS MAY APPOINT COMMITTEE**

As amended by Special Resolution dated 29.07.11

102. Subject to the provisions of the Act and the restrictions contained in Section 292 of the Act the Board may delegate any of their powers to committees of the Board consisting of such members or of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board.

### **RESOLUTIONS BY CIRCULATION**

103. No resolution shall be deemed to have been duly passed by the Board or 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 the committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or its committee, as the case may be), and to all other Directors or members of the committee at their usual address in India, and has been approved by such of the Directors or members of the committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

### **ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING**

#### **INFORMAL APPOINTMENT**

104. All acts done by any meeting of the Board or by a committee of the Board, or by any person acting, as a Director shall notwithstanding that it shall afterwards be discovered that there is some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was



qualified to be a Director and had not vacated his office or his appointment had not been terminated, provided that nothing in this Article 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.

### **MINUTES OF PROCEEDINGS OF MEETINGS OF BOARD**

105. i) The company shall cause minutes of all proceedings of every meeting of the Board and committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.
- ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of every meeting in such books shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- iii) In no case shall the minutes of proceedings of a meeting be attached to any such books as aforesaid by pasting or otherwise.
- iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- v) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
- vi) The minutes shall also contain:
- a. the names of the Directors present at the meeting; and
  - b. in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.
- vii) Nothing contained in sub-clauses (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting;
- a. is or could reasonably be regarded as defamatory of any person.
  - b. is irrelevant or immaterial to the proceedings, or
  - c. is detrimental to the interests of the company

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

- viii) Minutes of meeting kept in accordance with aforesaid provisions shall be evidence of the proceedings recorded therein.

### **POWERS OF DIRECTORS**

106. The board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

As  
amended  
by Special  
Resolution  
dated  
29.07.11

- a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the company owns more than one undertaking, the whole or substantially the whole of any such undertaking;
- b) remit or give time for the repayment of any debt due by a Director;
- c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in sub-clause (a) or of any premises or properties used for any such undertakings and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- d) borrow money 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) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;

Provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at meetings of the Board; unless the same be delegated to the extent therein stated; or

- e) contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.

**CERTAIN POWERS OF THE BOARD**

- As amended by Special Resolution dated 29.07.11
107. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power.
1. To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the company.
  2. To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 76 and 208 of the Act.
  3. Subject to Sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
  4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
  5. To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
  6. To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
  7. To appoint any person to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
  8. 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 debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon.

9. To act on behalf of the Company in all matters relating to bankrupts and insolvents.
10. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
11. Subject to the provisions of Sections 292, 295, 360, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
12. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability, whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
13. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases contracts and documents and to give the necessary authority for such purpose.
14. To distribute by way of bonus amongst the staff of the Company a share or shares in the profit of the Company and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company.
15. To provide for the welfare of Directors or ex-Directors or ex-employees of the Company and their wives, widow and families or dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the company, either by reason of locality of operation, or of public and general utility or otherwise.

16. Before recommending any dividend, to set aside out of the profits of the Company, such sum as they may think proper for depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in its absolute discretion think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the funds including the depreciation of debentures or debenture-stock and without being bound to pay interest on the same with power, however, to the Board at its discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum.
17. To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following subclasses shall be without prejudice to the general powers conferred by this sub clause.
18. To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.
19. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to ap-

- point any persons to be members of such local boards, and to fix their remuneration.
20. Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys, and to authorise the members for the time being of any such local board, or any of them, to fill up any vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annul or vary any such delegation.
  21. At any time and from time to time by power of attorney under the seal of the Company, to appoint, any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any local board, established as aforesaid or in favour of any company, or the shareholders, directors, nominee or managers, of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers of the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
  22. Subject to Sections 294, 294AA, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deed and things in the name and on behalf of the Company as they may consider expedient.
  23. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

#### **THE SECRETARY**

108. The Directors may from time to time appoint, and at their discretion, remove the Secretary provided that where the paid-up capital of the Company is equal to the limit

prescribed under Section 383A of the Act and as amended from time to time, it shall have a whole-time secretary. The Directors may also at any time appoint some person (who need not be the secretary) to keep the registers required to be kept by the Company.

#### **THE SEAL, ITS CUSTODY AND USE**

109. a) The Board 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 and the Board 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 Board or a Committee of the Board previously given.
- b) The company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

#### **DEEDS HOW EXECUTED**

110. Every deed or other instrument to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the share certificate the seal shall be affixed in accordance with Article 21 (a).

#### **DIVIDENDS**

##### **DIVISIONS OF PROFITS**

111. The Profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid or credited paid-up on the shares held by them respectively.

##### **THE COMPANY IN GENERAL MEETING MAY DECLARE A DIVIDEND**

112. The company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

##### **DIVIDENDS ONLY TO BE PAID OUT OF PROFITS**

113. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years

arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that:

- a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

#### **INTERIM DIVIDEND**

114. The Board may, from time to time, pay to the members such interim dividend as in their judgement the position of the Company justifies.

#### **CAPITAL PAID - UP IN ADVANCE AND INTEREST, NOT TO EARN DIVIDEND**

115. Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participation in profits.

#### **DIVIDENDS IN PROPORTION TO AMOUNT PAID-UP**

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

#### **TRANSFER OF SHARE MUST BE REGISTERED**

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

#### **DIVIDENDS HOW REMITTED**

118. Unless otherwise directed any dividend may be paid by cheques or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them



first named in the register in respect of the joint holding. Every such cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the member or persons entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

#### **INTEREST ON UNPAID DIVIDEND**

119. Subject to the provisions of Sections 205 to 208 of the Act, no unpaid dividend shall bear interest as against the Company.

#### **UNCLAIMED DIVIDEND**

120. No unclaimed dividend shall be forfeited by the Board and the dividends unclaimed will be dealt with in accordance with the provisions of Sections 205A and 205B or other provisions, if any of the Act as may be applicable from time to time.

As  
amended  
by Special  
Resolution  
dated  
06.07.94

#### **DIVIDEND AND CALL TOGETHER**

121. Any General Meeting declaring a dividend may on the recommendation of the Directors 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 be made payable at the same time as the dividend may, if so arranged between the Company and the member, be set off against the calls.

#### **CAPITALISATION**

122. a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any Capital Redemption Reserve Accounts, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum provided that a Share Premium Account and Capital Redemption reserve account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus share.

- b) A General Meeting may resolve that any surplus money arising from the realisation of any capital assets of the Company or any investment representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.
- c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Articles the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates.

## **ACCOUNTS**

### **DIRECTORS TO KEEP TRUE ACCOUNTS**

123. The Company shall keep at the office or at such other place in India as the Board thinks fit proper books of accounts in accordance with Section 209 of the Act with respect to:
- a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditures take place;
  - b) all sales and purchases of goods by the Company.
  - c) the assets and liabilities of the Company.

## **ACCOUNTS**

124. Where the Board decides to keep all or any of the books of accounts at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of account.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office and proper summarised returns, made up-to-date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India, at which the Company's books of account are kept as aforesaid.

The books of accounts shall give a true and fair view of the state of affairs of the Company or branch office as the case may be, and explain its transactions. The books of accounts

and other books and papers shall be open to inspection by any Director during business hours.

#### **AS TO INSPECTION OF ACCOUNTS OR BOOKS BY MEMBERS**

125. 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 and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.

#### **STATEMENT OF ACCOUNTS TO BE FURNISHED TO GENERAL MEETING**

126. The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheet, Profit & Loss Accounts and Reports as are required by these Sections.

#### **COPIES SHALL BE SENT TO EACH MEMBER**

127. a) A copy of every such Profit & Loss Account and Balance Sheet (including the Auditors' Report and every other documents required by law to be annexed or attached to the Balance Sheet), shall at least twenty one days before the meeting at which the same are to be laid before the members be sent to the members of the company, to holders of debentures issued by the Company (not being debentures which extacic are payable to the bearer thereof), to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meeting of the Company.
- b) Without prejudice to the generality of the above provisions the company may; if its shares are listed at any recognised Stock Exchange make available for inspection at its registered office for a period not exceeding twenty one days before the date of the meeting and send a statement containing the salient features of such documents in the prescribed forms or copies thereof as the Company may deem fit to every member of the Company and to every trustee for the holder of any debenture issued by the Company not less than 21 days before the date of the meeting.

#### **AUDITED AND APPROVED BALANCE SHEET AND PROFIT AND LOSS A/C TO BE CONCLUSIVE EVIDENCE**

128. Every Balance Sheet and Profit & Loss Account of the Company when audited and approved by the Company at an Annual General Meeting shall be conclusive except as regards any error discovered therein. Whenever any such error is discovered the Balance Sheet and Profit & Loss Account shall forthwith be corrected by the Board and henceforth shall be conclusive.

## **AUDIT**

### **ACCOUNTS TO BE AUDITED**

129. Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act.

### **FIRST AUDITOR OR AUDITORS**

130. The First Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the member of the Company not less than fourteen days before the date of meeting provided further that if the Board fails to exercise its powers under this Article, the Company in General Meeting may appoint the first Auditor or Auditors.

## **WINDING UP**

### **LIQUIDATOR MAY DIVIDE ASSETS IN SPECIE**

131. The Liquidator on any winding-up (whether voluntary, under supervision of the Court of compulsory) may, with the sanction of Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit.

## **INDEMNITY AND RESPONSIBILITY**

### **DIRECTORS AND OTHERS RIGHT OF INDEMNITY**

132. Subject to Section 201 of the Act, every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company, against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Company.

## **SECURITY CLAUSE**

133. a) Every Director, (except institution/ex-officio director) Auditor, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company and all 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 to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

- b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the directors or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which, in the opinion of the Director, it would be inexpedient in the interest of the Company to disclose.

Sl. No.	Name of Subscribers	Address of Subscriber	Occupation of Subscriber	Signature of Subscriber
1.	K. Raghavendra Rao S/o. Sri. A. Kailasam	D-2, Shamrock Apartments 126, Santhome High Road Madras - 600 028.	BUSINESS	Sd/-
2.	R. Vijayalakshmi W/o. Sri. K. Raghavendra Rao	D-2, Shamrock Apartments 126, Santhome High Road Madras - 600 028.	BUSINESS	Sd/-
3.	C. Bhaktavatsala Rao S/o. C. Satyanarayana Rao	67-1, Kamdar Nagar Madras - 600 034.	COMPANY EXECUTIVE	Sd/-
4.	N. Subramanian S/o. M.S. Narayanaswamy	9, Pattammal Street, Krishnapuram, Ambattur, Madras - 600 053.	GOVT. SERVICE (Rtd)	Sd/-
5.	N. Sambasivam S/o. M.S. Narayanaswamy	9, Pattammal Street, Krishnapuram, Ambattur, Madras - 600 053.	COMPANY EXECUTIVE	Sd/-
6.	Dr. Rajagopal Kailasam S/o. Sri. A. Kailasam	D-2, Shamrock Apartments 126, Santhome High Road Madras - 600 028.	DOCTOR IN PPRIVATE SERVICE	Sd/-
7.	M. Narayana Reddy S/o. M. Subba Reddy	A-11, Landons Towers, 47, Landons Road, Kilpauk, Madras - 600 010.	COMPANY EXECUTIVE	Sd/-

Date : 22.6.1992

Place : MADRAS

Witness: **Sd/- M.R. VIJAYASHANKAR**  
S/o. Sri. M.G. Ranganathan  
CHARTERED ACCOUNTANT  
16, III Street, Dr. Thirumurthi Nagar,  
MADRAS - 600 034.