

EMPEE SUGARS AND CHEMICALS LIMITED

CIN : L24110AP1988PLC009291

Regd. Office : Ayyapareddipalem Naidupet Mandal, Nellore Dist, Andhra Pradesh - 524126

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POSTAL BALLOT

Notice issued to the members pursuant to Section 110 of the Companies Act, 2013

TO THE MEMBERS OF THE COMPANY

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 ("the Act") that the following resolutions seeking shareholders approval are proposed to be passed by Postal Ballot which includes voting by electronic means.

The Explanatory Statement pertaining to the resolutions proposed in this notice setting out all material facts and reasons thereof along with Postal Ballot Form is annexed herewith.

The Company has appointed Mr. S. Dhanapal, Senior Partner of M/s. S Dhanapal & Associates, Practising Company Secretaries, Chennai as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours i.e. 06.00 P.M on, 03.07.2014. The Scrutinizer after completion of the scrutiny will submit his report to the Chairman of the Company on 05.07.2014. The results of the postal ballot will be declared by the Chairman on 06.07.2014 at the Registered Office of the Company. The results will also be posted on the website of the Company www.empeegroup.co.in. The results shall be intimated to the Stock Exchange where the shares of the company are listed and through press release in newspapers.

Members may note that as required under Clause 35B of the Listing Agreement, the Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility to members of the Company. The Company is providing e-voting facility for the Postal Ballot as an alternate, which would enable the members to cast their votes electronically, instead of casting their votes and dispatching Postal Ballot forms physically. Please read and follow the instructions on e-voting enumerated in the Notes to this Notice. Only members entitled to vote are entitled to fill in the Postal Ballot Form and send it to the Scrutinizer or vote under the e-voting facility offered by the Company, and any other recipient of the Notice who has no voting rights should treat the Notice as an intimation only. Detailed instructions to use the facility are given separately.

The Resolutions, if approved, will be taken as passed effectively on the date of declaration of results.

ITEM NO. 1 – AMENDMENT OF MAIN OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 4 of the Companies Act, 2013 and other applicable provisions, if any, and subject to necessary approval(s) if any, from the competent authorities, the Main Object Clause, be amended by inserting three new objects, namely, III(A)(3), III(A)(4) and III(5) after the existing clause III(A)(2) as given below:

- 3. To carry on the business of seed merchants and dealers in seeds, plants, trees, flowers, flower beds, roots of plants, manures, chemicals, fertilizers, creepers, vegetables and similar products and to import, export, deal in always in various types and varieties of seeds, plants, creepers, flowers, vegetables, garden tools and manures fertilizers and such chemicals.*

4. *To deal in and also to work as oil mills and all oils and by-products, hydrogenation of oils as well as Vanaspathi and such other vegetable ghee soaps including industrial alcohol and all kinds of grease and to produce all oils, hydrogen peroxide and by-products and deal in all of them.*
5. *To generate electric power by using wind, solar, water, coal, naphtha, fuel oil, furnace oil, natural gas, liquefied natural gas, biomass including bagasse or any other carbohydrate available above the earth or by from offshore or onshore site in India or outside India and to transmit, distribute and market the power generated/transmitted by stepping up voltage or not to load centre in India or outside India at such voltages as required by the customers and invest in research & development of power from conventional or non-conventional or renewable energy sources for generation and also to offer consultancy for power generation, power transmission, distribution and power marketing to any customer.*

RESOLVED FURTHER THAT the Board of Directors and the Secretary of the company be severally authorised to do all acts, deeds and things necessary in order to give effect to the above resolution.

ITEM NO.2: AMENDMENT OF INCIDENTAL OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 4 of the Companies Act, 2013 and other applicable provisions, if any, and subject to necessary approval(s) if any, from the competent authorities, the Incidental Object Clause, be amended by deleting the following incidental objects, namely III(B)(29), III(B)(31) and III(B)(32) as given below and subsequent clauses of Memorandum be renumbered accordingly:

29. *To deal in and also to work oil mills and all oils and by-products, hydrogenation of oils as well as Vanaspathi and such other vegetable ghee soaps including industrial alcohol and all kinds of grease and to produce all oils, hydrogen peroxide and by-products and deal in all of them.*
31. *To do and carry on the business of seed merchants and dealers in seeds, plants, trees, flowers, flower beds, roots of plants, manures, chemicals, fertilizers, creepers, vegetables and similar products.*
32. *To import, export, deal in always in various types and varieties of seeds, plants, creepers, flowers, vegetables, garden tools and manures fertilizers and such chemicals.*

RESOLVED FURTHER THAT the Board of Directors and the Secretary of the company be severally authorised to do all acts, deeds and things necessary in order to give effect to the above resolution.

ITEM NO.3 – DELETION OF OTHER OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if any, from the competent authorities, the Other Objects Clause of the Memorandum of Association of the Company be altered by completely deleting the Clause III(C)1 to III(C) 45.”

RESOLVED FURTHER THAT the Board of Directors and the Secretary of the company be severally authorised to do all acts, deeds and things necessary in order to give effect to the above resolution.

ITEM NO.4 – AMENDMENT OF THE LIABILITY CLAUSE OF MEMORANDUM OF ASSOCIATION:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 4, Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, Clause IV of the Memorandum of Association be and is hereby altered by replacing the existing Clause IV with the following new Clause IV:

IV. “The liability of members is limited and this liability is limited to the amount unpaid on shares held by them.”

RESOLVED FURTHER THAT the Board of Directors and the Secretary of the company be severally authorised to do all acts, deeds and things necessary in order to give effect to the above resolution.

ITEM NO.5 - ADOPTION OF NEW SET OF ARTICLES:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT**, pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be and are hereby altered by replacing all the existing regulations 1 to 129 with the new regulations 1 to 137, a copy of which is annexed to the explanatory statement, and adopted as new regulations of Articles of Association of the Company.”

RESOLVED FURTHER THAT the Board of Directors and the Secretary of the company be severally authorised to do all acts, deeds and things necessary in order to give effect to the above resolution.

ITEM NO.6 – APPOINTMENT OF AUDITOR:

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013, M/s Venkatesh & Co., Chartered Accountants (Firm Registration No. 004636S) having office at Sri Ranga, New No.151, Mambalam High Road, T.Nagar, Chennai -17, be and are hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s. D.Sampathkumar & Co., Chartered Accountants, Chennai, to hold the office until the conclusion of the ensuing Annual General Meeting with the authority to the Board of Directors to fix their remuneration.”

RESOLVED FURTHER THAT the Board of Directors and the Secretary of the company be severally authorised to do all acts, deeds and things necessary in order to give effect to the above resolution.

ITEM NO.7: BORROWING POWERS OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for borrowing, from time to time, as it may consider fit, any sum or sums of monies, on such terms and conditions as the Board may deem fit notwithstanding that the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company’s Bankers in the ordinary course of business) may 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 that the total amount so borrowed by the Board shall not exceed the aggregate of the paid-up Capital of the Company and its free reserves by Rs. 15,00,00,00,000/- (Rupees One Thousand and Five Hundred Crores Only).”

RESOLVED FURTHER THAT the Board of Directors and the Secretary of the company be severally authorised to do all acts, deeds and things necessary in order to give effect to the above resolution.

ITEM NO.8: MORTGAGING/CHARGING OF THE PROPERTIES OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed the aggregate of the paid-up Capital of the Company and its free reserves by Rs. 15,00,00,00,000/- (Rupees One Thousand and Five Hundred Crores Only)

RESOLVED FURTHER THAT the Board of Directors and the Secretary of the company be severally authorised to do all acts, deeds and things necessary in order to give effect to the above resolution.

ITEM NO.9: TO MAKE INVESTMENT, GIVE LOAN, SECURITY OR GUARANTEE BY THE COMPANY

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

RESOLVED THAT subject to such regulatory approvals as may be required and compliance with the applicable provisions of Companies Act, 2013 and other provisions as are applicable, and in addition to the amounts already invested / loans made or guarantees provided by the Company, consent be and is hereby accorded for the Company to do the following transactions:

- i. to invest by way of subscription, purchase or otherwise in the securities of any other body corporate and/or
- ii. to give any loans to any person or other body corporate and/or
- iii. to give any guarantees or provide security in connection with loan(s) to any person or other body corporate upto a limit of Rs. 5,00,00,00,000/- (Rupees Five Hundred Crores Only, or equivalent thereof in any currency) for such investments/loans/guarantees/securities, notwithstanding that the aggregate of the investments and loans so far made or to be made and the guarantees and securities so far given or to be given by the Company, exceeds the limits/will exceed the limits laid down by the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors and the Secretary of the company be severally authorised to do all acts, deeds and things necessary in order to give effect to the above resolution.

**By Order of the Board
For EMPEE SUGARS AND CHEMICALS LIMITED**



**M.P.PURUSHOTHAMAN
CHAIRMAN & MANAGING DIRECTOR**

Place: Chennai
Date : 26.5.2014

NOTES:

1. The explanatory statement and reasons for the proposed resolutions pursuant to Section 102 of the Companies Act, 2013, is appended herein below.
2. The Company has appointed Mr. S. Dhanapal, Senior Partner of M/s. S Dhanapal & Associates, Practising Company Secretaries, Chennai, to act as the Scrutinizer, for conducting the postal ballot process, in a fair and transparent manner.
3. The Notice is being sent to all the Members, whose names appear in the Register of Members/List of Beneficial Owners, as on 30th May, 2014.
4. In compliance with provisions of Section 108 and 110 of the Act read with The Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to physical postal ballot, to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of despatching Postal Ballot Form physically. E-voting is optional.

The instructions for members for voting electronically are as under:-**In case of members receiving e-mail:**

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “EMPEE SUGARS AND CHEMICALS LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the ABCDE1234K in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the 0102ESCL in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.

- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN along with Company name on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of In case of members receiving the physical copy:

- A. Please follow all steps from Sl. No. (ii) to Sl. No. (xvii) above to cast vote.
- B. The voting period starts on Wednesday, June 4, 2014 and ends at 6.00 P.M. on Thursday, July 3, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30.5.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1 to 5:

Companies Act, 1956 has been replaced by the Companies Act, 2013. The Memorandum and Articles of Association of the Company which were prepared in accordance with the provisions of Companies Act, 1956 thus require alteration now to bring them in line with the provisions of Companies Act, 2013. More specifically, in the Memorandum, the Object clause and liability clause requires alteration and in the Articles, a number of clauses either require modification or deletion and also lot of new regulations also need to be inserted. Owing to this, it is proposed to completely replace all the regulations of Articles of Association with new set of regulations. Hence these resolutions at item nos 1 to 5. The Board recommends these resolutions for approval of members by means of special resolution.

None of the Directors, Key Managerial Personnel and their relatives are concerned with or interested in the above resolutions.

The entire set of proposed new Memorandum and Articles is annexed with this notice for your ready reference. Same can also be inspected at the registered office of the company.

Item No.6:

M/s. D Sampathkumar & Co., Chartered Accountants, have resigned as the Statutory Auditors of the Company on vide their letter dated 14.5.2014. The Board has proposed that M/s. Venkatesh & Co., Chartered Accountants, having office at Sri Ranga, New No.151, Mambalam High Road, T.Nagar, Chennai -17 be appointed as the Statutory Auditors of the Company to fill-up the casual vacancy caused due to resignation of M/S. D Sampathkumar & Co., Chartered Accountants.

M/s.Venkatesh & Co., Chartered Accountants have expressed their willingness and confirmed their eligibility to be appointed as the Statutory Auditors and if their appointment is approved by the Members of the Company , the same would be well within the limits as provided under Section 141 of the Companies Act, 2013.

Appointment of the Statutory Auditors to fill the casual vacancy caused by the resignation of the existing Auditors requires approval of the members by way of an Ordinary Resolution. Hence, this resolution is being placed before the members for approval.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a Special Resolution.

Item No.7 & 8:

As stated above, the Companies Act, 1956 has been replaced by the Companies Act, 2013 and as per the directions of the Ministry of Corporate Affairs, the approvals sought by the company from its members in relation to borrowings to be made by the company and for that purpose creation of charge on the assets of the company are valid only for a period of one year from the date of commencement of the relevant provisions under Companies Act, 2013. Thereafter, the company needs to seek fresh approvals from its members under the provisions of Companies Act, 2013. Accordingly, the said approvals will expire on 11th September, 2013 and hence these resolutions are proposed to seek fresh approvals of members under Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolutions for the approval by the members as a Special Resolution

Item No. 9

As stated above, the Companies Act, 1956 has been replaced by the Companies Act, 2013 and thus the company wishes to seek approval of its members again under the provisions of Companies Act, 2013 to make investment/lend loan or give guarantee or provide security to other persons or body corporate from time to time.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolutions for the approval by the members as a Special Resolution

**By Order of the Board
For Empee Sugars and Chemicals Limited**



**M.P.Purushothaman
Chairman & Managing Director**

Place: Chennai
Date : 26.5.2014

Encl:

1. Postal Ballot Form
2. Pre-paid self-addressed Envelope
3. Proposed new set of MOA and AOA

Under the Companies Act, 2013
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION
OF
EMPEE SUGARS AND CHEMICALS LIMITED

- II. The name of the Company is Empee Sugars and Chemicals Limited.
- III. The Registered Office of the Company will be situated in the State of Andhra Pradesh.
- IV. A. The Main objects of the company to be pursued on its Incorporation are:-

1. To Plant, cultivate, produce and raise or purchase Sugar-Cane, Sugar-Beet, Maize Palmyra Trees, Palm Trees and other crops or trees whatsoever and to purchase, manufacture, produce, boil, refine, prepare, Import, export, sell and generally to deal in sugar, sugar candy, jaggery, confectionery, molasses, syrups, alcohol, spirits and manures and all other by-products and raw materials of sugar Industry, and products such as boot polish wax, buttons, power alcohol.

2. To purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally to deal in sugar, sugar candy, jaggery, sugar-beet, sugar-cane bagasse, molasses, syrups, melada, alcohol, spirits, and all sugar products such as confectionery, glucose, sugar-candy, canned fruit, golden syrup and aerated water and/or by-products such as bagasse boards, paper, pulp, papers bactye, alcohol, acetone, carbondioxide, hydrogen, potash, canwax and fertilizers and food products generally and in connection therewith to acquire, construct, operate factories for the manufacture of sugar, or any of its products or by-products and acquire or manufacture machinery for any of the above purposes.

3. To carry on the business of seed merchants and dealers in seeds, plants, trees, flowers, flower beds, roots of plants, manures, chemicals, fertilizers, creepers, vegetables and similar products and to import, export, deal in always in various types and varieties of seeds, plants, creepers, flowers, vegetables, garden tools and manures fertilizers and such chemicals.
4. To deal in and also to work oil mills and all oils and by-products, hydrogenation of oils as well as Vanaspathi and such other vegetable ghee soaps including industrial alcohol and all kinds of grease and to produce all oils, hydrogen peroxide and by-products and deal in all of them.
5. To generate electric power by using wind, solar, water, coal, naphtha, fuel oil, furnace oil, natural gas, liquefied natural gas, biomass including bagasse or any other carbohydrate available above the earth or by from offshore or onshore site in India or outside India and to transmit, distribute and market the power generated/transmitted by stepping up voltage or not to load centre in India or outside India at such voltages as required by the customers and invest in research & development of power from conventional or non-conventional or renewable energy sources for generation and also to offer consultancy for power generation, power transmission, distribution and power marketing to any customer.

B. The objects of the Company incidental or ancillary to the attainment of the main objects are:-

1. To acquire the whole or any part of the undertaking and assets of any business within the objects of the Company and any lands, privileges, rights, contracts, property used in connection therewith and upon any such purchase to undertake the liabilities of any such company, association, partnership or person.
2. To act as agents or brokers and as trustees for any person or company and to undertake and perform such-contracts and to do all or part of the above things in any part of the world and either alone or jointly with others and either by or through agents, sub-contractors, trustees or otherwise.

3. To amalgamate, enter into partnership, or enter into collaboration agreement or arrangement or understanding or associate with any Indian or foreign company or body corporate or firm or individual or enter into any arrangement with any Indian or foreign company or body corporate or firm or individual for sharing profits, union of interests, cooperation, joint ventures, reciprocal concessions, or for limiting competition with any person or company carrying on or engaged in or about to carry on or engage in, any business or transaction which the company is authorized to carry on or engage in or which can be carried on in conjunction wherewith or which is capable of being conducted so as to directly or indirectly benefit the company.
4. To establish or promote or concur in establishing or promoting any company or companies for the purposes of acquiring all or any of the property, rights and liabilities of company or for any other purpose which may seem directly calculated to benefit the company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities, of any such other company.
5. Generally to purchase, take on lease or in exchange, or hire otherwise acquire, any real and personal property and any rights or privileges which the company may think necessary or convenient for the purpose of its business, or which may enhance the value of any other property of the company and in particular any land, buildings, easements, machinery, plant, vehicles and stock-in-trade.
6. To invest and deal with the moneys of the Company not immediately required in any manner and in particular to accumulate funds or to acquire or take by subscription, purchase or otherwise, howsoever or to hold shares or stock in or the security of any company, association or undertaking in India or abroad.
7. To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of any contract of obligation and the payment of money of or by any such persons or companies and generally to give guarantee and indemnities.
8. To receive money on deposit or loan and borrow or raise money in such manner as the company shall think fit and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any other property or assets of the Company (both present and future) including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance of the Company or any other person or Company of any obligation undertaken by the company or any other person or company as the case may be provided that the company shall not carry on the business of banking within the meaning of the Banking Regulation Act, 1949.
9. To pay for any business, property or rights acquired or agreed to be acquired by the Company and generally to specify under obligation of the Company by the issue or transfer of shares of this or any other company credited as fully or partly paid up or of debentures or other securities of this or of any other company.
10. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
11. To pay of any rights or property acquired by the company and to remunerate any person or company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
12. To pay out of the funds of the Company all expense which the Company may, lawfully pay with respect to the formation and registration of the Company or the issue of its capital including brokerage and commissions for obtaining application for taking or placing or under-writing or procuring the underwriting of shares, debentures or other securities of the Company.
13. To sell, lease, mortgage or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares,

stock debentures, or other securities of any other company whether or not having objects altogether or in part similar to those of company.

14. To distribute among the members in specie any property of the Company or any proceeds of the sale or disposal of any property of the Company in the events of its being wound up. No distribution amounting to a reduction of capital be made except with the sanction, if any, for the time being required by law.
15. To improve, manage, develop, grant rights or privileges in respect of or otherwise deal with, all or any part of the property and rights of the Company.
16. To provide for the welfare of the directors, trustees and employees or ex-director ex-trustees and ex-employees of the company and the wives, widows and families or the dependants or connections of such persons, by building or contribution to the building of houses, dwelling or chawls, by grants of money, pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction 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 institutions, bodies and objects which shall have any moral or other claim to the support or aid by the Company either by reason of locality of operation or public and general utility or otherwise.
17. To create any depreciation fund, reserve fund, sinking fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purpose conducive to the interest of the Company.
18. Subject to the provision of the Companies Act, 1956 or any other enactment in force indemnify and keep indemnified members, officers, directors, agents and servants of the Company against proceedings, costs, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interests of the company and for any loss, damage or misfortune whatever and which shall happen in execution of the duties of their office or in relation thereto.
19. To agree, to refer, to arbitration and to refer to arbitration any disputes present or future between the Company and any other Company, firm or individual and to submit the same to arbitration in India or abroad either in accordance with Indian or any foreign system of law.
20. To build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, machinery engines, roadways, tramways, railway sidings, bridges, reservoirs, water courses, wharves, electric works and other works and conveniences, which may seem calculated directly or indirectly to advance the interests of the company and to join with any other person or company in doing any of these things.
21. To establish, provide and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments, to undertake and carry on scientific and technical researches, experiments and tests of all kinds, to promote studies and researches both scientific and technical investigations and inventions by providing, subsidizing endowing or assisting laboratories, workshops libraries, lectures, meetings and conferences and by providing by contribution to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorized to carry on.
22. To establish, undertake, recognize or subscribe any trust or trusts for the aims and objects mentioned in the Clause (26) or for any other objects or aim and undertaking whereof any seem desirable whether gratuitously or otherwise.

23. To apply for, promote and obtain any Act of parliament, charter, privilege, concession, licence or authorization of any Govt. state or Municipality provisional order or licence of any authority, for enabling the company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem expedient and to oppose any proceeding or applications which may seem calculated directly or indirectly to prejudice the interests of the company.
24. To do all or any of the above things in any part of India and in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise either alone or in conjunction with others and to do all such other things, are incidental or conducive to the attainment of the above objects or any of them.
25. To enter into any arrangements with any Government or Authorities. Municipal local or otherwise or any persons or company in India or abroad that may seem conducive to the objects of the company or any of them and to obtain from any such Government authority, persons or company any rights, privileges, charters, contracts, licences and concessions which the company may think it desirable and to carry out exercise and comply therewith.
26. To transact and carry on, in connection with the aforesaid business, all kinds of agency business.
27. To buy, sell, repair, assemble, alter, let on hire and deal in machinery, implements, rolling stock hardware of all kinds.
28. To search for, get, work, raise, make merchantable, sell and deal in iron steel, coal, iron ore, limestone, manganese, ferromanganese, magnestic, clay, fireclay, brick earth, brick bauxite and other fuel and generally to undertake and to carry on any business transaction or operation commonly undertaken or carried on by explosers, prospectors or concessionaries and to search work, calcine, reduce amalgamate, dress, refine and prepare for the market and quarts and ore and mineral substances and to buy, sell, manufacture and deal in minerals and mineral products, plant and machinery and other things capable of being used in connection with mining or metallurgical operations required by the workmen and other employed by the Company.
29. To grow, cultivate, produce, raise, manufacture, purchase, sell, import, export or otherwise handle or deal in pulp, timber, wood , cotton, linters, droppings, fly, cotton waste, cotton seeds, bamboo, grass, jute, jute stocks, seisal fibre, flax, hemp, hessian, gunnies, sugar cane, bagasse, leather, asbestos, rags, waste paper, water hyacinth or any other vegetable, mineral, chemical or other substances and things of whatever nature and kind, necessary or useful for the business of the Company.
30. To give, let out, lease, exchange, any of the lands or a part thereof, of the Company, to cultivators for tillings and cultivating and/or for growing crops and /or vegetables, fruits and all other types of agricultural produce.
31. To acquire and undertake the whole or any part of this business, property and liabilities of any person, firm or company carrying on any business, which the company is authorized to carry on or possessed of property suitable for the purpose of this company.
32. To take on or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this company or for purposes of investment.
33. The liability of the Members is limited and this liability is limited to the extent of amount unpaid, if any, on shares held by the members.

- V. The authorized share capital of the company is Rs.80,00,00,000/- (Rupees Eighty Crores only) consisting of 7,00,00,000 equity shares of Rs.10/-each and 1,00,00,000/- zero% Convertible Preference Shares of Rs.10/- each with right to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company from time to time and to classify or reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of association of the Company and to vary, modify or abrogate any such rights, privileges conditions or restrictions, in such manner and by such persons as may be permitted under the provisions, for the time being in force, in that behalf.

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

Sl. No	Names, Addresses, Descriptions, and Occupations of Subscribers	No. of Equity shares taken by each Subscriber	Name and Addresses description and occupations of witness.
1.	M.SUDHAKAR REDDY S/o Late RAGHAVA REDDY 16/499, Somasekharapuram, Nellore, (Nellore District) Business	450	B.SARATH BABU Chartered Accountant S/o B.KALIDAS 16/275, Trunk Road, Nellore.
2.	M.SREENIVASULU REDDY S/o Late RAGHAVA REDDY 16/499, Somasekharapuram, Nellore, (Nellore District) Business	450	
	Total	900	

Dated : this 7th Day of November, 1988.

Place: Nellore

**Under the Companies Act, 2013
COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF
EMPEE SUGARS AND CHEMICALS LIMITED**

INTRODUCTION

1. The regulations contained in Table F in the First Schedule to the Companies Act, 2013 shall apply to the Company except in so far as such regulations are embodied in these following Articles.
2. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof. In these Articles, unless there be something in the subject context inconsistent therewith or unless the context otherwise requires:
 - a) 'The Act' means the Companies Act, 2013 its rules and any statutory modification or reenactments thereof and every relevant Companies Act for the time being in force concerning Joint Stock Companies.
 - b) 'The Articles' or "these presents" means these Articles of Association as now framed or as altered from time to time.
 - c) 'Board' means the Board of Directors for the time being of the Company.
 - d) 'The Company' or 'This Company' means EMPEE SUGARS AND CHEMICALS LIMITED
 - e) "Depository" shall mean Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.
 - f) 'The Office' means the Registered Office of the Company.
 - g) 'Person' shall include any corporation as well as individual.
 - h) 'Register' means the Register of Members of the Company required to be maintained under Section 88 of the Act.
 - i) 'Members' or 'Share holders' means the duly registered holders of the shares as entered in the Register of members of the Company.
 - j) 'Seal' means the Common Seal of the Company.
 - k) 'Securities' means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956
 - l) 'Special Resolution' means special resolution as defined by Section 114 in the Act.
 - m) 'In writing' or 'written' means and includes printing, typing, lithographing and other modes of reproducing words in a visible form.
 - n) 'Year' and 'Month' means calendar year and calendar month respectively according to the British Calendar.
 - o) 'Rules' means rules as framed by the Board of Directors for the conduct of the business of the Company under these Articles.
 - p) Words importing the singular number include, where the context admits or requires, the plural number and vice versa.
 - q) Words importing the masculine gender include the feminine gender; and
 - r) Words importing persons shall where the context requires include corporate bodies and companies as well as individuals.

SHARE CAPITAL

3. The Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company

SHARES

4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

5. In particular, the Board may issue and allot shares towards payment of adjustment made -

- i) for the properties or goods or machinery bought by the Company ; or
- ii) for the discharge of loans or other liabilities of the Company.
- iii) for the services rendered to the Company; or
- iv) for amounts spent for the purposes of the Company or for the conduct of the business of the Company.

and any such shares may be issued and allotted as fully paid-up shares or partly paid-up shares and the shares thus issued and allotted shall be deemed to fully paid-up shares or partly paid up shares as the case may be.

6. The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.

7. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:

- I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder 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.
(b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not more than thirty days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.
(d) After the expiry of the time specified in the notice aforesaid, or in respect 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.
- II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.
- III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:

- (a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and
- (b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

8. (1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Sections 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.

(2) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

9. The Company shall have power to issue Preference shares as permissible under the Act and Directors may, subject to the provisions of the Act, exercise such power in any manner they think fit and provide for the redemption or conversion of such shares on such terms including the right to redeem at a premium or otherwise as they think fit.

ISSUE OF SECURITIES:

10. The company may issue Debentures, Debentures Stock or loan, loan stock, global Depository Receipts (GDRs), American Depository Receipts (ADRs), or any other security convertible into or exchangeable for the shares of the company or conferring the right to allotment or the option of right to call for allotment of shares of the company, securities linked to equity shares, securities with warrants including Foreign Currency Convertible Bonds (FCCB) and Foreign Currency Exchangeable Bonds (FCEBs) subject to and in accordance with, applicable laws, including provisions of the Companies Act 2013, the Securities and Exchange Board of India (SEBI) Guidelines, Regulations and instructions and subject to other applicable legal and regulatory provisions to any eligible person, including Qualified Institutional Buyer, Foreign / resident investors. Indian and or Multinational Financial Institutions, Mutual Funds, Banks, Non-Resident Indians, stabilizing agents and any other categories of investors, whether they be holders of shares of the company or not.
11. The Board may, subject to the provisions of the Act, 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 in or debentures of the Company or his procuring or agreeing to procure subscriptions, (whether absolute or conditional) for any shares in or debentures of the Company. The company may pay such brokerage as may be lawful and reasonable.
12. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles. Every person who thus or otherwise accepts any shares or whose name is on the Register shall for the purpose of these Articles be a member of the Company.
13. Shares may be registered in the name of any person, company, Registered Society or other body corporate. Not more than four persons shall be registered as joint holders of any share.
14. Where two or more persons are registered as joint-holders of any shares, they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the following provisions.
- a. The person whose name stands first in the Register in respect of such shares shall alone be entitled to delivery of the certificate thereof as also dividend on such shares:
 - b. The joint-holders shall severally as well as jointly be liable for the payment of all installments and calls due in respect of such shares:
 - c. In case of death of any or more such joint-holders, the survivor(s) recognized by the Company as having any title or interest or interest in such share, but the Directors may decline without assigning any reasons as they may deem fit and nothing herein contained shall be taken to release the estate

of a deceased joint-holder from any liability on the shares held by him jointly with any other person:

- d. All notices directed to be given to the members shall be given to whichever of such persons is named first in the Register and notice so given shall be sufficient notice to all joint holders of such shares.
15. Every shareholder or his executor, administrator or legal representative, having in his control or his disposal assets of the deceased shareholder, shall pay to the Company the proportion of the capital which may for the time being remain unpaid therein at such time and in such manner as the Board shall think fit.
16. Every person whose name is entered as a member in the Register of Members shall be entitled to receive within two months after allotment and within fifteen days after the application for the registration of transfer, a certificate under the Common Seal of the Company specifying the share or shares held by him and the amount paid up thereon, provided, that in respect of shares held jointly by several persons, the Company shall not be bound to issue more than one share certificate and delivery of a certificate for a share to such person whose name stands first in the Register of Members, shall be sufficient delivery to all such holders. Share certificates shall be issued in marketable lots without payment of any fees. Where share certificates are issued for either more or less than marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.
17. If any certificate be worn out or defaced, then upon production thereof to the Company, the Company, in cancellation of the old certificate, shall issue a new certificate in lieu, thereof. If any member requires the certificate pertaining to more than one share to be split into two or more certificates pertaining to one or more shares, the company may cancel the old certificate and issue new certificate. If any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given and on payment of out of pocket expenses incurred by the Company in investigating the evidence, a new certificate in lieu, thereof shall be given to the registered holder of the shares to which such lost or destroyed certificate shall relate.

Share/Debenture certificates should be issued in marketable lots and where share/debenture certificates are issued for either more or less than marketable lots sub-division or consolidation into marketable lots should be done free of charge.

18. For every certificate issued under the last preceding clause, there shall be paid to the Company the sum of Rupees two or such smaller sum as the Directors may determine, provided that no fee shall be charged for issue of new certificate, in replacement of those which are old, decrepit or worn out or cut or where the cages on the reverse for recording transfers have been fully utilized.
19. Every endorsement on the certificate incorporating transfer of shares mentioned therein shall bear the signature of a Director or such other person as shall from time to time authorized by the Directors for the purpose.

“Provided that the registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other person(s) indebted to the company on any account whatsoever.”

CALLS ON SHARES

20. The Board may, from time to time, subject to the terms on which any share, may have been issued and subject to the provisions of section 49 of the Act make such calls as they think fit upon the members in respect of all monies unpaid in the shares held by them respectively (whether on account of nominal value of the shares or by way of premium) and each member shall pay the amount of every call so made on him at the time and place appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorizing such call was passed. A call may be revoked or postponed at the discretion of the Board.
21. If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the installment shall be due, shall pay interest for the same at such rate as may, from time to time, be

fixed by the Board from the day appointed for the payment thereof to the time of actual payment. The Board shall be at liberty to waive payment of any such interest either wholly or in part.

22. Any sum, which by the terms of issue of a share becomes payable on allotment or any fixed, date, whether on account of the nominal value of the share or by way of premium, shall, for the purpose of these regulations be deemed to be a call duly, made and payable on the date on which by the terms of issue such sum becomes payable in case of non payment of such sum all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of call duly made and notified.
23. The Board may if it thinks fit receive from any member willing to advance the same, all or any part of the amount remaining unpaid on any shares held by him and upon the money so paid in advance or so much thereof as exceeds the amount of the calls then made up on the share in respect of which such advance has been made, the Company may pay interest at the rate of not less than 15%. Money so paid in excess of the amount, of calls shall not rank for dividends or confer a right to participate in profits or for the purpose of voting. The Board may at any time repay the amount so advanced upon giving to such member not less than fifteen days notice in writing.
24. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the member in respect of whose share the money is sought to be recovered appears entered on the Register of Members of the Company as the holder of one or more shares at or subsequent to the date on which the money sought to be recovered is alleged to have become due, that the resolution making the call is duly recorded in the Minutes Book of the Board and that notice of such call was duly given to the member or his representatives in pursuance of these Articles.
25. The money, if any which the Board shall on allotment of any, shares being made by it require or direct to be paid by way of deposit, premium, call or otherwise in respect of any shares allotted by it shall immediately on the inscription of the name of the allottee in the Register of Members become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.
26. Save as herein otherwise expressly provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall be bound, except as ordered by a court of competent jurisdiction or as by statute require, to recognize any trusts whatsoever or any mortgage or charge thereon or any contingent equitable, future, partial or any other claim to or interest in such share on the part of any person other than the registered holder, his executor or administrators or other legal representatives and other than such rights upon transmission as hereinafter provided.

FORFEITURE OF SHARES

27. If any member fails to pay call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued by reason of such non-payment.
28. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest as aforesaid are to be paid. The Notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may, at any time thereafter, before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
30. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof shall

forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission to give such notice or to make such entry as aforesaid.

31. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell reallocate or otherwise dispose of the same on such terms and in such manner as they think fit.
32. The Board may, at any time, before any share so forfeited shall have been sold, reallocated or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit or they may assign a smaller number of shares in respect of the paid up value of forfeited shares.
33. A person whose shares have been forfeited shall cease to be member in respect of the forfeited shares but shall nevertheless remain liable to pay and shall forthwith pay to the Company all monies which at the time of forfeiture were presently payable by him to the Company in respect of the shares together with interest such rate as may be decided upon the Board, whether such claim be barred by limitation on the date of the forfeiture or not but his liability shall cease if and when the Company receives payment in full of all monies due in respect of such shares. The Board may, if they shall think fit, remit the payment of such interest or any part thereof.
34. The forfeiture of a share shall involve the extinction of all interest in all claims and demands against the Company in respect of the share and all other rights incidental to the share, only such of those rights as by these Articles are expressly saved.
35. Upon any sale after forfeiture or surrender or for enforcing a lien purported to have been exercised by virtue of the powers given, the Board may cause the purchaser's name to be entered in Register of members in respect of shares sold. A duly verified declaration in writing that the declarant is a Director, Secretary or Manager of the Company and that certain shares in the company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration if any, given for the shares on the sale or disposition thereof shall constitute a good title such shares and the person to whom any such shares is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
36. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time whether on account of the nominal value of share or by way of a premium, as if the same had been payable by virtue of a call duly made and notified.

LIEN

37. The company shall have a first and paramount lien upon all the shares (Other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares 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 bonuses 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.
38. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit. But no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or other legal representatives, as the case may be and default shall have been made by him or them in the payment of the sum payable as aforesaid to seven days after the date of such notice.
39. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid the certificate in respect of shares sold shall stand cancelled and

become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.

40. The net proceeds of the sale shall be received by the Company and after payment of the cost of such sale shall be applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any shall be paid to such member, his executors, or administrators or assigns or other legal representatives, as the case may be.

TRANSFER OF SHARES

41. a). Every instrument of transfer in the prescribed form shall, after it is duly stamped, and executed by or on behalf of the transferor and the transferee and completed in all respects, be delivered to the Company, within such time from the date of execution as may be granted by the Act or within such extended period as may be granted by the Central Government under section 56 of the Act. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.

b) The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.
42. Subject to the provisions of section 58 of the Act and Section 22 (A) of the Securities Contracts (Regulation) Act, 1956 the Board may, at its own absolute and controlled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee is already a Member), but in such cases it shall, within 15 days from the date on which the instrument of transfer was lodged with the Company, sent to the transferee and transferor notice of the refusal to register such transfer, provided that the registration of a transfer shall not be refused on the ground that transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Board has exercised the power of lien vested in it under these Articles in respect of the shares proposed to be transferred.
43. a) An application for the registration of transfer of the shares in the Company may be made either by the transferor or the transferee.

b) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes 'no objection' to the transfer within two weeks from the date of receipt of the notice.

c) For the purpose of sub clause (b) above, notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
44. No transfer shall be made to an insolvent or a person of unsound mind or a partnership in the name of the firm. In the case of partly paid shares no transfer shall be made in the name of minor.
45. In no case, shall the Board be bound to inquire into the validity, legal effect or genuineness of any instrument of transfer produced by a person claiming transfer of any share in accordance with these Articles and whether they abstain from so inquiring or do so inquire or are misled, the transferor shall have no claim whatsoever upon the Company in respect of the share except for the dividends previously declared in respect thereof and not paid but his claim if any, shall be against the transferee only.
46. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.
47. No fees shall be charged for registration of transfer or for effecting transmission or for registering any letters of probate, letters of administration and similar other documents. When a share holder changes his name or who being a female marries, may give notice to the Company of the Change of name or of the marriage so that the same may be registered with the Company.

48. The Company shall incur no liability or responsibility whatever in consequent for 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 o members) to the prejudice of persons having or claiming any equitable right, title or interest or referred thereto, in any book of the Company and the Company shall not be bound or required to regard, to attend or give effect to any notice which may be given to it of any equitable right, title or interest or 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 to liberty regard and attend to any such notice, and give effect thereto if the Directors shall so think fit.

TRANSMISSION OF SHARES

49. a) On the death of a member, the survivor or survivors where the member was a joint holder and his legal representatives where he was a sole holder shall be the only person recognized by the company as having any title to his interest in the shares.
- b) Nothing in clause (a) shall release the estate of a deceased joint holder from any liability in respect of any shares which had been jointly held by him with other persons.
50. The executors or administrators of a deceased member, (not being a joint holder) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognize such executors or administrators, unless they have first obtained probate or letters of administration, as the case may be, from a competent court in India provided that in any case where the Directors, in their absolute discretion think fit, they may dispense with the production of probate or letters of administration.
51. 1. Any person becoming entitled to a share in consequence of the death or lunacy or insolvency or a member may upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect either.
- a. to be registered himself as holder of the share, or
 - b. to make such transfer of the share as the deceased or insolvent or lunatic member could have made.
2. The Board shall, in either case have the same right to decline or suspend registration as it would have had if the deceased or lunatic or insolvent member had transferred the share before his death, lunacy or insolvency.
52. a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b) If the person aforesaid shall elect to transfer share he shall testify his election by executing an instrument of transfer of the same.
- c) All the limitations, restrictions and provision of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy or insolvency of the member has not occurred and the notice of transfer has been signed by that member.
- d) A person so becoming entitled on transmission to a share by reason of the death lunacy or insolvency of the holder shall subject to the provisions of these Articles and the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that shall not, before being registered as member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
53. All the provisions herein contained as to the transfer and transmission of shares shall apply mutatis mutandis to the transfer and transmission of the debentures of the Company.

GENERAL AUTHORITY

54. Wherever it has been provided in the Act that the Company shall have any right privilege or authority or that the Company, could carry out any transaction only if the Company so authorized by its Articles, then and in all such cases this regulation confers on the Company all such right, privilege or authority and the power to carry out such transaction, as if such right, privilege, authority or power has been conferred on the Company by specific regulation in that behalf herein provided.

ALTERATION OF CAPITAL

55. The Company may from time to time, by ordinary resolution increase the share capital by such sum, to be delivered into shares of such amount, as may be specified in the resolution.
56. The Company may, by ordinary resolution:
- a. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - b. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, subject, nevertheless, to the provisions of section 61 of the Act.
 - c. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
 - d. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination
57. The Company may, by special resolution reduce its share capital redemption of reserve account, or any share premium account, in any share premium account, in any manner and with and subject to any incident authorized and consent required, by law.

GENERAL MEETINGS

58. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.
59. Subject to the provisions of the Act, the Board may whenever it thinks fit, call an General Meeting to be held on such day, time and place as may be considered convenient by the Board. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.
60. The Board may whenever it thinks fit and necessary, postpone an Annual General Meeting or Extraordinary General meeting that had been convened by the Board or by the members or cancel such meeting and reconvene such meeting before such meeting is held or is due to be held. This provision shall not however apply to an Extraordinary General Meeting called by the members on requisition.

PROCEEDINGS AT GENERAL MEETINGS

61. The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:

Number of members upto 1000: 5 members personally present
Number of members 1000-5000: 15 members personally present
Number of members more than 5000: 30 members personally present

62. The chairman, if any, of the Board shall preside as Chairman at every General Meeting. If there is no such Chairman or if at any meeting he is not present within thirty minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Vice Chairman shall be entitled to take the Chair. In his absence or in case he is unwilling to act, the Managing Director shall be entitled to take the Chair. In his absence, or in case he is unwilling to act, the Directors present shall choose another Director as

Chairman of the Meeting and if no Director is present, or if all Directors present inclined to take the chair, then the members present, shall on a show of hands or on a poll properly demanded, elect one of their number, being a member entitled to vote, to be Chairman of the meeting.

63. The Chairman may adjourn any meeting from time to time and from place to place but no business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
64. In the case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote in addition to vote(s) to which he may be entitled as a member.
65. The demand for a poll other than for election of Chairman of the meeting or for the adjournment of the meeting shall not prevent the continuance of a meeting for the transaction of any business other than the question on which poll has been demanded.

VOTE OF MEMBERS

66. Subject to any rights or restrictions for the time being attached to any class or classes of shares:-
 - a. On a show of hands, every member present in person shall have one vote, and
 - b. On a poll, voting rights of members shall be as laid down in section 47 of the Act.
 - c. In case of voting by electronic means, voting rights of members shall be as laid down in section 47 of the Act.
67. In the case of joint-holders, the vote of the senior who tenders a vote in person shall be accepted to the exclusion of the votes of the other joint-holders. For this purpose, seniority shall be determined by the order in which the names appear in the Register of members.
68. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
69. No member shall be entitled to vote at any General Meeting if the call money or other sums due have not been paid by him before the last date fixed by the Board for their payment.
70. No objection shall be raised to the validity of any vote whether given personally or by proxy or by attorney except at the meeting or adjourned meeting or poll at which the vote objected to is given or tendered and every vote whether given personally or by proxy or by attorney to which no objection has been raised at the meeting or poll at which such vote is tendered shall be deemed to be valid for all purposes whatsoever of such meeting or poll. Any objection made in due time shall be referred to the Chairman of the meeting whose determination regarding the admission or rejection of the vote, made in good faith, shall be final and conclusive.

PROXY

71. An Instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 and shall be signed by the member. Where shares are held in Joint names, all the share holders shall sign the proxy form.
72. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notorially certified copy of that power of authority shall be deposited at the office not less than forty eight hours before the time for holding meeting at which the persons named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No proxy shall be used at an adjourned meeting which could not have been used at the original meeting.
73. If more than one Instrument of proxy from the same member to vote at the same time be deposited with the Company that instrument of proxy bearing the latest date shall alone be accepted; If all the Instruments bear the same date, then that one of them registered in the books of the company as having been last deposited with the Company shall alone be accepted.

74. A vote given in accordance with the terms of an instrument of proxy shall be notwithstanding the previous death or of the principal or the revocation of the proxy or of the authority under which the proxy executed or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, Insanity, revocation or transfer of the shares shall have been received by the Company at its office at least twenty four hours before the time appointed for the meeting. Provided further that the Chairman of the meeting shall be entitled to require such evidence as may, in his discretion, thinks fit, of the due execution of an instrument of the proxy and that the same has not been revoked.

DIRECTORS

75. The minimum and maximum number of Directors shall be three and fifteen respectively.

76. The first Directors are:

M.SUDHAKAR REDDY M.SRINIVASULU REDDY

77. Notwithstanding anything to the contrary contained in these articles, so long as any monies 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 Corporation of India (GIC), National Insurance Company Limited (NIC), The Orient Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation 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 in this Article referred to as "the Corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold debentures/shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any persons or persons as 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 or persons in his or other places.
78. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors, Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
79. The Nominee Director/s so appointed shall hold the said office so long as any monies 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 of private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the monies owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.
80. The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such meetings. The Corporation shall also be entitled to receive all such notices and minutes.
81. The Company shall pay to the Nominee Director/s sitting fees, and expenses to which the other Directors of Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to

the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall 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 Directors shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration fees, commission and monies as may be approved by the Corporation.

82. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any person as an Additional Director provided that the number of Directors shall not at any time exceed the maximum number fixed by these Articles. The Additional Director so appointed shall hold office up to the date of the next Annual General Meeting of the Company.
83. If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.
84. The Board may in accordance with and subject to provisions of Section 161 of the Act, appoint any person to act as an Alternate Director for a Director during the latter's absence for a period of not less than three months from India
85. Directors desirous of resigning their office shall submit the resignation in writing.
86. The Board of Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or clause 49 of Listing Agreement, (whichever is higher), from time to time. Independent directors shall possess such qualification as required under Section 149 of the Companies Act, 2013 and clause 49 of Listing Agreement. Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and Listing Agreement and shall not be liable to retire by rotation.
87. The Board of Directors shall appoint one women director as per the requirements of section 149 of the Act.
88. At every Annual General Meeting, one-third of the total Directors shall retire by rotation in accordance with provisions of Section 152 of the Act. A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.
89. Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 75 and may also determine in what rotation the increased or reduced number is to retire.

KEY MANAGERIAL PERSONNEL

90. Subject to the provisions of the Act, a chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board.
91. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer subject to provisions of the Act. The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

92. The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles. For the purpose of Section 203 of the Act, the same individual may be appointed as the Chairman and Managing Director of the Company or Chairman and Chief Executive Officer.

PROCEEDINGS OF DIRECTORS

93. Managing Director of the company will act as Chairman of the board and Deputy Managing Director will act as Vice chairman of the board.
94. Subject to the provisions of Section 173 of the Act, the Directors may meet together for the dispatch of business **and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means** and may adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the purpose of the business. Until otherwise determined and subject to Section 174 of the Act, two Directors personally present or one third of the total strength, whichever is greater, shall be quorum.
95. Subject to the provisions of the Act, the Chairman or the Vice –Chairman or the Managing Director may and the Secretary at the direction of the Chairman or the Vice-Chairman or the Managing Director, shall at any time convene a meeting of the Board.
96. The questions arising at any meetings of the Directors shall be decided by a majority of votes and in the case of equality of votes, the Chairman shall have a second or casting vote.
97. The Meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under these Articles or the Act for the time being vested in or exercisable by the Board.
98. If the quorum is not present within 15 minutes from the time appointed for holding a meeting of the Board, it shall stand adjourned till the same day in the next week at the same time and place. If that day happens to a public holiday the meeting shall stand adjourned to the day next to the public holiday. If at the adjourned meeting also there is no quorum, fresh notice has to be given convening another meeting of the Board.
99. If any meeting of the Board, the Chairman is not present within fifteen minutes from the time appointed for holding the meeting or in case he is unwilling to preside or where no Chairman has been elected in terms of Article 80(a) the Vice Chairman shall occupy the Chair and in the absence of the Vice-Chairman or in case he is unwilling to preside or where no Vice-Chairman has been elected in terms of Article 80 (b) Managing Director shall occupy the chair and in the absence of the Managing Director or in case he is unwilling, the Directors present may choose one among them to be the Chairman of the meeting.
100. The Chairman or the Vice-Chairman or the Managing Director shall have the power to invite any person or persons not being the member(s) of the Board to attend the meeting of the Board but such invites shall not be entitled to vote at any time.
101. The items in the agenda of the Notice should have the prior approval of the Chairman and in the absence of Chairman from India, of the Vice-Chairman and in the absence of the Vice Chairman from India, of the Managing Director before the Notice is circulated to the members of the Board.
102. The Board may, subject to the provisions of Section 179 of the Act, from time to time and at the time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to regulations that may from time to time, be imposed upon 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, shall have the like force and effect as if done by the Board.

103. The meetings and proceedings of any such Committee shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board.
104. Save in those cases where a resolution is required by the Act to be passed at a meeting of the Board, a resolution shall be valid, and effectual as if it has been passed at a meeting of the Board or committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of Committee at their usual address in India and has been approved by such of them as are then in India or by a majority of them as are entitled to vote on the resolution
105. Subject to the provisions of the Act, no Director of the Company shall be disqualified by his office from holding any office or place of profit under the Company or under any Company in which the Company shall be a share-holder or otherwise interested or from contracting with the Company either as Vendor, purchase or otherwise nor shall any such contracts, or any contract or arrangement entered into by, or on behalf of the Company in which any Director shall be in any way interested, be avoided, nor shall any Director be liable to account to the Company for any profit arising from any such office or place of profit or realised from any such contracts or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established.

VACATION OF OFFICE BY DIRECTORS

106. The office of a Director shall be vacated if:
1. he is found to be unsound mind by a Court of competent jurisdiction;
 2. he applies to be adjudicated as an insolvent;
 3. he is an undischarged insolvent;
 4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is 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;
 5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
 6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
 7. he has not complied with Subsection (3) of Section 152
 8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
 9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
 10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
 11. he becomes disqualified by an order of a court or the Tribunal
 12. he is removed in pursuance of the provisions of the Act,
 13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:
 1. for thirty days from the date of the adjudication, sentence or order;
 2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
 3. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off

MINUTES

107. The Directors shall cause minutes to be prepared, signed and kept in accordance with the provisions of the Act.
108. The minutes Book of General Meetings of the Company shall be kept at the office and shall be open for inspection by members during the hours of 2-00 p.m. to 4.00 p.m on such business days as the Act requires it to be open for inspection.

POWERS OF DIRECTORS

109. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to do, provided that the Board shall not exercise any power or to do any act or thing which is directed or required whether by the Act or any other statute or by Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further in exercising any such power or doing any such act or thing the Board shall be subject to the provisions, in that behalf continued in the Act, or any other statute or in the Memorandum of the Company or in these Articles or in any regulations made by the Company in General Meetings by Special Resolution but no regulations made by the company in General Meetings shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
110. Any branch or kind of business which by the Memorandum of Association of the Company or these Article is expressly or by implication authorized to be undertaken by the Company may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be kept in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
111. Subject to the provisions of the Act, the Board may from time to time, as it may think fit, delegate to the Managing Director all or any of the powers hereby conferred upon the Board, other than the powers to make calls on members in respect of money unpaid on their shares and to issue debentures.
112. The Board may appoint, at any time and from time to time, by a power of attorney under the Company's seal any person to be the attorney of the company for such purpose and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board, or by the Act or these Articles and for such period and subject to such conditions as the Board may from time to time, think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney, as the Board may think fit.

BORROWING POWERS

113. The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects

as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient

MANAGING DIRECTORS

114. a. Subject to the provisions of Section 196 ,197, 2(94), 203 of the Act, the following provisions shall apply:
- b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years at a time, as it may deem fit, subject to such approvals as may be necessary in that behalf.
 - c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.
 - d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.
 - e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.
 - f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

POWER OF MANAGING DIRECTORS

115. a). Subject to the superintendence, control and directions of the Board, the Managing Director shall manage the whole of the business of the Company and all its affairs, shall exercise all powers, control its finances, appoint and manage employees of all grades, and perform all duties generally in relation to the management of affairs and transactions of the Company, as may be proper or expedient and in particular, exercise the powers conferred on the Board, except those which can only be exercised by the Board or the Company in general meeting, and the Managing Director shall always act for and on behalf of the Company in the management of its affairs.
- b). In the event of there being more than one Managing Director at any time holding office, whether designated as Managing Director or Joint Managing Director, or otherwise then unless otherwise provided by the terms of their appointment or unless otherwise directed by the Board all the powers vested in the Managing Director(s) by or under these presents shall be exercisable by either of them severally. They shall be deemed to hold their office under separate contract of service and notwithstanding the termination of the office of any of the Managing Director(s) the other Managing Director(s) shall be entitled to act and exercise all the powers conferred under these presents on the Managing Director(s).

WHOLE-TIME DIRECTOR(S)

116. Subject to the sanction of the Government of India, the board may appoint one or more of their body as whole time Director(s) under the designation of Technical Director, Executive director, Administrative

Director or under such other designation as the Board deems fit. The whole time Director(s) shall perform duties under the control, supervision and directions of the Board and Managing Director(s) and exercise powers delegated by the Board or Managing Director under conditions and restrictions imposed by the Board or Managing Director, Such whole time Director(s) shall not be liable for retirement by rotation for the period decided by the Company in general meeting.

REMUNERATION OF DIRECTORS

117. The remuneration payable to a Managing Director, whole time director or manager shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required under the Act.
118. a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.
- b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.
- c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.
- d. Subject to the provisions of the Act, and subject to such sanctions, as may be required under the Act, if any Director is appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (b) of the Article

MANAGER OF THE COMPANY

119. Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board..

AUTHENTICATION OF DOCUMENTS

120. A document purporting to be a copy of resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Board.

COMMON SEAL

121. a). The Board of Directors shall provide a Seal for the purposes of the company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.
- b). The Board of Directors shall provide for the safe custody of the Seal. The Seal shall not be affixed to any instrument except by the authority of the Board of Directors or of a Committee of the Board authorised by the Board in that behalf and except in the presence of at least one Director who shall sign every instrument to which the Seal is so affixed. Provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority of the Board to issue the same.
- c). As regards affixing the Seal to share certificates the same shall be affixed in accordance with the provisions of the Companies (Share Capital and Debenture) Rules, 2014

DIVIDENDS

122. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
123. The Board may, from time to time, pay to the member such interim dividends as appear to it to be justified by the profits of the Company.
124. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls of otherwise in relation to the shares of the Company.
125. On the declaration of dividend by the General Meetings it shall be paid to the shareholders in proportion to the amount paid up or credited as paid up on each share, and the period for which the amount was held as capital in the Company.
126. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.
127. a). Unless otherwise directed, any dividend may be paid by cheque or warrant by a pay slip or receipt having the force of 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 joint holding. Every such cheque or warrant shall be made payable to the person to whom it is sent. The Company shall not be responsible for the loss of any cheque, dividend warrant or pay slip or receipt sent by post in respect of dividends to the registered address or addresses communicated to the Office before hand by the member, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or fraudulent encashment thereof by any other means.
- b). No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with provisions of 124 of the Act, in respect of any unclaimed or unpaid dividend.

ACCOUNTS

128. 1. 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.
2. No member (not being a director) shall have any right or inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.
129. Every financial statement of the Company when admitted and adopted by the Company in General Meetings shall be conclusive. If any error is discovered therein after the adoption thereof, such error shall be corrected in the accounts of the Company for the subsequent years.

CAPITALISATION OF PROFITS & RESERVES

130. 1. The Company in General Meeting may, upon the recommendation of the Board resolve
- a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the Profit and Loss Account, or otherwise available for distributions ; and
 - b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members, who would have been entitled thereto, if distributed by way of dividend and in the same proportion.
2. The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3), either in or towards
- a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - b) paying up in full unissued shares of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid; partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
3. For the purpose of this Article a share premium account and a capital redemption reserve fund may be applied only in paying up unissued shares to be issued to the members of the Company as fully paid bonus shares.
4. The Board shall give effect to the resolution passed by the Company in pursuance of this Articles:
- (A)
 - 1.a) Whenever such a resolution as aforesaid shall have passed, the Board shall; make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares and
 - b). generally do all acts and things required to give effect thereto
 - 2. The Board shall have full power:
 - a). To make such provisions by the issue of fractional certificates or by payment in cash by realizing such fractional certificates or otherwise as it thinks fit, in the case of shares becoming distributable in fractions and also.
 - b). to authorise any person to enter, on behalf of all members entitled thereto on to an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized of the amount or any part of the amounts or any part of the amounts remaining unpaid on their existing shares.
 - 3. Any arrangement made under such authority shall be effective and binding on all such members.
- (B). If the Company shall have redeemed any redeemable preference shares all or any part of any Capital Redemption fund arising from the redemption of such shares may by resolution of the Company be applied in paying up in full or in part any new shares or any shares then remaining unissued, to be issued to such members of the Company or other persons as the Directors may resolve upto an amount equal to the nominal amount of the shares so issued.

SERVICE OF NOTICE AND DOCUMENTS

131. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which previous to his name and address being

entered on the Register shall have been duly given to the person from whom he derives his title to such share.

132. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles, shall, notwithstanding such member be then deceased and whether or not the Company has notice of death, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint-holders thereof and such service shall for all purposes of these Articles be deemed a sufficient service of the notice of documents on his heirs, executors or administrators and all persons, if any jointly interested with him any such share.

SECRECY

133. Every Director, Secretary, Manager, Auditor, Trustee for the Company, its members of debenture-holders member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the Company shall if so required by the Board, before entering upon his duties, sign, a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the State of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by any general Meeting or by a Court of law and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.
134. No shareholder or other person, not being a director, shall be entitled to enter into or upon the premises or the property of the Company, or to inspect the Company's premises or properties or the books or the accounts of the Company except to the extent allowed by the Act and subject to such reasonable restrictions as the Company in General Meeting or the Board may impose in this behalf from time to time, without the permission of the Board or of the Managing Director for the time being require the discovery of or or any information respecting any detail of the company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process of any matter whatsoever trade secret, mystery of trade or secret process of any matter whatsoever which may relate to the conduct of the business of the Company, and which in the opinion of the Board/Chairman or of the Managing Director will be inexpedient, in the interest of the members of the Company, to communicate.

WINDING UP

135. If the Company shall be wound up and assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them respectively at the commencement of the winding up.
136. If the Company shall be wound up, whether voluntarily or otherwise the liquidator may, with the sanction of a special resolution, divided among the contributories, in specie or kind any part of the assets of the Company in trustees for the benefit of the contributories, or any of them, as the liquidator, with the like sanction shall think fit.
137. Every Director, Secretary or Officer of the Company or any person (whether an Officer of the Company or not, employed by the Company and any person appointed as auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Secretary, Officer, Employee or Auditor in defending and proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under 463 of the Act in which relief is granted to him by the Court.

Sl. No	Names, Addresses, Descriptions, and Occupations of Subscribers	No. of Equity shares taken by each Subscriber	Name and Addresses description and occupations of witness.
1.	M.SUDHAKAR REDDY S/o Late RAGHAVA REDDY 16/499, Somasekharapuram, Nellore, (Nellore District) Business	Sd/- M.Sudhakar Reddy	Sd/- B.SARATH BABU Chartered Accountant S/o B.KALIDAS 16/275, Trunk Road, Nellore.
2.	M.SREENIVASULU REDDY S/o Late RAGHAVA REDDY 16/499, Somasekharapuram, Nellore, (Nellore District) Business	Sd/- M.Sreenivasulu Reddy	

Dated : this 7th Day of November, 1988.
Place : Nellore