



MEMORANDUM & ARTICLES OF ASSOCIATION
OF
THE ANDHRA PETROCHEMICALS LIMITED



फारम आई आर
Form I.R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता. का स.
No.4635 of 19.84-85

मे एतद्द्वारा प्रमाणित करता हूँ कि आज.....

कम्पनी अधिनियम, 1956 (1956 को 1) के अधीन निर्गमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that THE ANDHRA PETROCHEMICALS LIMITED

is this day incorporated under the Companies Act, 1956 (No 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता को दिया गया।

Given under my hand at Hyderabad this 18th

day of April One thousand nine hundred and eighty four
(29th Chaitra 1906 Saka)



जे एस सी - 1
J.S.C-1.

V.S. RAJU
(V.S. RAJU) 3/4/84
कम्पनियों का रजिस्टर
Registrar of Companies
Andhra Pradesh.

Co. No. 4635



सत्यमेव जयते

कारबार प्रारम्भ करने के लिए प्रमाण-पत्र
Certificate for Commencement of Business

कम्पनी अधिनियम, 1956 की धारा 149 (3) के अनुसरण में
Pursuant of Section 149 (3) of the Companies Act, 1956

मैं एतद्वारा प्रमाणित करता हूँ कि.....

जो कम्पनी अधिनियम, 1956 के अधीन तारीख.....को निगमित की गई थी और जिसने आज विहित प्ररूप में सम्यक् रूप से सत्यापित घोषणा फाइल कर दी है कि उक्त अधिनियम की धारा 149(1) (क) से लेकर (घ) तक/149(2) (क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारबार प्रारंभ करने की हकदार है।

I hereby certify that the...**THE ALDHRA PETROCHEMICALS LIMITED**.....

which was incorporated under the Companies Act, 1956, on the... 18th day of...**APRIL**..... 19**84**, and which has this day filed a duly verified declaration in this prescribed form that the conditions of section 149(1)(a) to (d)/149(2)(a) to (c) of the said Act, have been complied with is entitled to commence business:

मेरे हस्ताक्षर से यह तारीख.....को
में दिया गया।

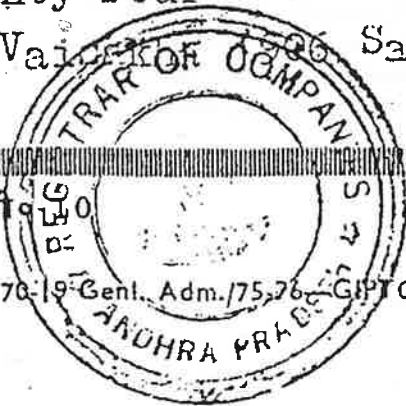
Given under my hand at...**Hyderabad**.....
this...**21st**..... day of...**May**..... One thousand nine hundred
and...**Eighty-Four**

(31st Vaishakh 2006 Saka)

(**V. S. SAJJU**)
कम्पनियों का रजिस्ट्रार
Registrar of Companies

जे० एस० सी०
J. S. C.-10.

MG IPTC-476-19 Genl. Adm./75,76-GIPTC-(C-423)-25-2-76-4,000.



Under the Companies Act, 1956

(1 of 1956)

Company Limited by Shares

Memorandum of Association

of

The Andhra Petrochemicals Limited

- I. The name of the Company is "THE ANDHRA PETROCHEMICALS LIMITED".
- II. The Registered Office of the Company will be situated in the State of Andhra Pradesh.
- III. The objects for which the Company is established are :-
 - (A) The Main objects to be pursued by the Company on its incorporation are:
 1. To Produce, Manufacture, Refine, Import, Export, Purchase, Sell and generally to deal in all kinds of Oxo-Alcohols, 2-Ethyl Hexanol and Chemicals in the range of Oxo-Alcohols, and in connection therewith to take on lease or acquire, erect, construct, establish, operate and maintain plants, factories.
 2. To carry on business of manufacturers and of dealers in Petrochemicals of all kinds and distributions including Propylene Oxide, Propylene Glycol, Epichlorohydrine, Glycerol, Propionaldehyde, Butanol and other allied Petrochemicals.
 3. To carry on the business of manufacturers of and dealers in Plasticizers, namely, DOP, DIOP, DBP and special grade Plasticizers, PVC and PVC stabilizers, Polyester fibres, Polyamides, Polynosic and other Synthetic fibres, Processing and compounding for PVC and other Polymers.
 4. To carry on the business of manufacturers of and dealers in Oxo-Alcohols Sulfates and other Synthetic detergents, Detergent cakes, Detergent bars and Powders.
 5. To carry on the business of manufacture of the dealers in acids, alkalis, corrosive and anti-corrosive substances, all kinds of chemicals as elements and intermediate moderators, or in mixture or compound forms.
 6. To establish natural gas crackers, associated gas crackers and to manufacture gas based petrochemicals.
 7. To acquire, construct, operate, work factories and assemble repairs by as or otherwise deal with in other process equipments generally required in the manufacture of Petrochemicals, Organic Chemicals, Inorganic Chemicals or their blends to take as consulting engineers and Designing and Erecting and acquire any rights, to act as chemical process developers and licensors of the above processes and to transfer the developed technology and know-how of the above processes.

(B) The objects incidental or ancillary to the attainment of the Main objects are:-

1. To purchase and vend raw materials, intermediates, finished goods either for the activities of the Company or for others and to carry on the business of manufacturers, buyers, sellers, dealers, exporters, importers of any goods or merchandise whatsoever in connection with the business of the Company.
2. To sell or in any other manner deal with or dispose of the undertaking or property of the Company, or any other part thereof, for such consideration as the Company may think fit, and in particular for shares, debentures and other securities of any other company.
3. To enter into such arrangements as the Company may think proper with any Public Authorities for building chawls and tenements on the property of the Company or on the properties of others and to let the same either to the employees of the Company or to others and upon such terms as the Company may think proper.
4. To remunerate (by cash or by allotment of fully or partly paid shares or shares credited as fully or partly paid-up or in any other manner) any persons, firms, associations or companies for services rendered or to be rendered in rendering technical aid and advance, granting licences or permissions for the use of patents, trade secrets, trade marks processes and in acting as trustees for debenture-holders or debenture stock-holders of the Company or for subscribing or agreeing to subscribe subscriptions whether absolutely or conditionally or for procuring or agreeing to procure subscriptions whether absolutely or conditionally for any shares, debentures or debenture-stock, or other securities of the Company or of any company promoted by this Company or for services rendered in or about the formation or promotion of the Company or any company promoted by this Company or in introducing any property or business to the Company or in or about the conduct of the business of this Company or for guaranteeing payment of such debenture stock or other securities and any interest thereon.
5. To insure with any person or company against losses, damages, risks and liabilities of any kind which may affect the Company either wholly or partially and if thought fit, to effect any such insurance by joining or becoming members of any mutual insurance, protection or indemnity association, federation or society, and to accept any such insurances, or any part thereof, for the account of the Company.
6. Subject to Section 58-A and Rules made thereunder and directives of the Reserve Bank of India from time to time, to borrow or raise money or receive moneys on deposit by itself or jointly with others at interest or otherwise in such manner as the Company may think fit, within the permissible limits and without doing any banking business as defined in the Banking Regulation Act, 1949 and in particular by the issue of the debentures perpetual or otherwise including debentures convertible into shares, of this or any other Company, or perpetual annuities, and on security of any such money so borrowed, raised or received, to mortgage, pledge and charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale of the property except uncalled capital or other powers as may seem expedient and to purchase, redeem, or pay of any such securities.
7. To issue debentures, debenture stocks, to grant and issue letters of credit, circular notes, bills, drafts and other instruments and securities, whether payable to bearer or otherwise, and to make the same or any of them assignable free from equities.

8. To accumulate funds and to lend, invest or otherwise employ moneys belonging or entrusted to the Company upon securities and shares with or without security upon such terms as may be thought proper, and from time to time to vary such transactions in such manner as the Company may think fit but not to do the business of banking within the meaning of the Banking Regulation Act, 1949.
9. To guarantee the payment of the money and the performance of contracts or engagement entered into by any company or person and to secure the payment of the money and the performance of any contracts or engagements entered into by this or any other Company or persons, and to discharge any debt or other obligation of or binding upon this or any other Company or person by mortgage or charge upon all or any part of the undertaking property and rights of the Company (either present or future or both) including its uncalled capital or, by the creation or issue of debentures, debenture-stock or other securities or by any other means.
10. To make pecuniary grants by way of donations, contribution, subscription pension allowance or gratuity and to render to assistance otherwise to or for the benefit of persons, who have been employed by the Company or its predecessors and the widows, orphans and dependants of any of such persons, to or in aid of charitable, benevolent, religious, scientific, national international and public institutions objects or purposes or to any individual or body to associations or organisations or funds for the difference, protection, indemnification, or advantage of companies or others for any exhibition and for the promotion of or opposition to any Bill in parliament or State Legislature or any like purpose.
11. To carry on any of the foregoing business together or separately to establish branches and appoint agencies for or in connection with any of the objects of the Company in any part of the world provided however that the Directors may always circumscribe the scope of business of a specified nature and execute power or powers-of-attorney to the agents of such business defining the limits of his authority in the carrying on of the business.
12. To be interested in, promote and undertake the formation and establishment of such institutions, business, companies (industrial, agriculture, trading, manufacturing or other) as may be considered to be conducive to the profit and interest of the Company.
13. To purchase or otherwise acquire and undertake the whole or any part of the business, property, rights and liabilities of any person, firm or company carrying on any business which the Company, is authorised to carry on or possess of property or rights suitable for any of the purposes of the Company and to purchase acquire, sell and deal in property, of any such person, firm or company and to conduct make or carry into effect any arrangements, in regard to the winding-up of the business of any person, firm and company, association or society.
14. To employ experts to investigate and examine into the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights in order to examine the advisability of taking over, merging with or amalgamate such undertaking with the Company or enter into partnership or other agreement for sharing profits with such company or undertaking.
15. To enter into partnership or into any agreement for sharing profits, union of interest reciprocal concession, amalgamation or co-operation with any corporation or company carrying on or about to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to take or otherwise acquire and hold shares or stocks in or securities of, and to subsidise or otherwise assist any such company, and to sell, hold, reissue, with or without guarantee

or promote, any other company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.

16. To merge with or amalgamate by means of a Scheme or arrangement with any other company or companies having objects similar or different to this Company, for the purpose of diversification and expansion into other fields of manufacturing or other industries, subject to the provisions of the Companies Act and the Rules framed thereunder and any Law and Rule for the time being in force relating thereto.
17. To promote and form and to be interested in, and take hold and dispose of shares in other companies, to transfer to any such company any property of this Company, and to take or otherwise acquire, hold and dispose of shares, debentures and other securities in or of any such Company, and subsidise or otherwise assist any such company.
18. To establish or aid in the establishment of associations, institutions, funds, trusts and charities and other conveniences intended to benefit employees or ex-employees of the Company or their dependants and to grant pension or allowances and generally to subscribe money for any public, general or useful objects.
19. To apply for, promote and obtain the incorporation, registration or other recognition of the Company, state or place and to establish and regulate agencies for the purpose of the Company's business and to apply or join in applying to any Parliament, Local Government, Municipal or other authority or Body, for any Acts or Parliament laws, decrees, concessions, or orders, rights or privileges that may seem conducive to the Company's objects or any of them and to oppose by lawful means any proceedings or application which may seem calculated directly or indirectly to prejudice the Company's interest.
20. To improve, manage, work, develop, lease, mortgage, abandon or otherwise deal with, all or any part of the property, rights and concessions of the Company, and for that purpose to appoint and remunerate any directors, accountants or the experts or officers.
21. To create any Depreciation Fund, Reserve Fund, Renewal Fund, Superannuation Fund, or any other Special Fund whether for Depreciation, repairing, replacing, improving, extending or maintaining any of the property and assets of the Company to meet any specific or contingent liability and to make any appropriation or transfers from one another or for any other purpose of conducive to the interest of the Company.
22. To pay all the costs, charges and expenses incidental to the promotion, registration and establishment of the Company and the issue of its capital, including any underwriting or other commissions, broker's fee and charges in connection there on with and to remunerate (by cash or other assets, or by the allotment of fully or partly paid shares or by a call or option of shares, debentures, debenture stock or securities of this or any other Company, or in any other manner, whether out of the Company's capital or profits or otherwise) any person or persons for services rendered or to be rendered in introducing any property or business to the Company or in placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture stock or other securities of the Company, or for any other reason which the Company may think proper.
23. To distribute any of the properties of the Company amongst the members in species or kind, as permissible in law, in the event of its being wound-up.

24. Subject to Section 78 of the Companies Act, 1956, and the Companies (Transfer of profits to Reserves) Rules, 1975 to place to reserve or to distribute as dividends or bonus among the members, or otherwise to apply as the Company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company, and moneys received in respect of dividends accrued on forfeited shares and moneys arising from the sale by the Company of forfeited shares.
25. To adopt such means of making known the products of business carried on the Company as may be deemed expedient, and in particular by advertising in the press by circulars and slides or purchase or exhibition of work of art and interest and publication of books and periodicals and by granting prizes, awards and donations.
26. To do all or any of the above things in any part of the Union of India and of the world as principals, agents, contractors, trustees or otherwise, and by through trustees, agents, or otherwise and either alone or in conjunction with others.
27. To refer or agree to refer to arbitration, any claim, demand, dispute legal proceedings or any other question by or against the Company, or in which the Company is interested or concerned.
28. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and to pay, satisfy, or compromise any claim made against the Company or its officers notwithstanding that the claim may not be valid in law.
29. To carry on any other trade or business whether manufacturing or otherwise, which may seem to the Company capable of being carried on in connection with any of the Company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
30. To use trade marks or trade names or brands for the products and goods of the Company, and adopt such means of making known the businesses and/or products of the Company or of any Company in which this Company is interested as may seem expedient and in particular by advertising in newspapers, magazines or periodicals, by circulars, by purchase and exhibition of works of art or interest, by opening stalls and exhibitions, by publication of books and periodicals, by distributing samples and by granting prizes, rewards and donations.
31. To carry on all kinds of agency business to take part in management, supervision or control of the business or operation of any other company, association, firm or persons (and to act as the agent of any such company, association, firm or person) and in connection therewith to appoint and remunerate any Directors, Accountants and other experts or agents.
32. To carry on any scientific research which may be of benefit to the Company to establish, conduct and carry on any education or other institution and research or such other activities for the attainment of the above objects.
33. To undertake, carry out, promote and sponsor rural developments including any programme for promoting the social and economic welfare of, or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing 'Programme of rural development' shall also include any programme for promoting the social and economic welfare of the uplift of the public in any rural area which the Directors consider it likely to promote and assist rural development, and that

the words, "Rural area" shall include such areas as may be regarded as rural areas under Section 35-CC of the Income-tax Act, 1961 or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or Local Body or Authority or Central or State Government or any Public Institutions or Trusts recognised under Section 35-CC of the Income-tax Act, 1961 or any amendment thereto.

34. To undertake, carry out, promote, sponsor or assist any activity likely to promote, general welfare and uplift for the public or any section of the public to such manner and by such means as the Directors may think fit from time to time and to take up establishment of any Medical Research Centre or Trust, Institution or fund having any of the aforesaid objects as one of its objects intended for collection of information and advise on modern techniques for treatment of diseases for the benefit of the rural areas either by itself or through any of its agencies or to provide funds for any such Research Centre established by any Public Medical Trust which serves the needs of the rural public and to transfer assets or funds to the said Research Centre so established as the Directors may approve from time to time.
35. To apply for and take out purchase or otherwise acquire any trade mark, patents, patent rights, inventions, copy right, designs of secret processes, which may be useful for the Company's objects, and to grant licences to use the same, and to work, develop, carry out exercise and turn to account the same.
36. To do all or any of the above things and all such other things as are incidental or as may thought conducive to the attainment of the above objects of any of them in India or any other part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents, or otherwise and either along or in conjunction with others and so that the word 'Company' in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons, whether incorporated or not and whether domiciled in India or elsewhere.

(C) The other objects of the Company are :

1. To carry on the business of manufacturers of and dealers in all kinds and classes of paper, Board and pulp including writing paper, printing paper, absorbant paper, newsprint paper, wrapping paper, tissue paper, grease-proof paper, card-board, strawboard, pulp-board, leather board, mill board, corrugated board, duplex and triple-boards, hard-board, plywood-board, postcards, visiting board, soda pulp, mechanical pulp, sulphite pulp, semi-chemical pulp, and all kinds of articles in the manufactures of which in any form paper, board or pulp is used, and also to deal in or manufacture any other articles or things, of a character similar or analogous to the foregoing or any of them or connected therewith.
2. To manufacture and deal in all kinds of dissolved celluloses, including rayon artificial silk, nitro-cellulose, cellophane, films, plastics, cellulose derivatives and cellulose products and by-products.
3. To manufacture and deal in caustic soda and bleaching agents and products and by-products of the sodachlorine electrolytic process, and to manufacture, process and to manufacture, process and deal in lime, clay, salt chemicals and materials required in the manufacture of pulp, paper and board and connected therewith.

4. To carry on the business of iron, brass and other masters and founders, iron steel makers and converters mechanical, civil and hydraulic engineers, manufacturers of agricultural implements and other machinery, ferromanganese coal coke and colliery proprietors, miners, smiths, wood-worker builders, metallurgists, gas makers, printers, carriers and merchants, and to buy, sell, manufacture, export, import, repair, convert, alter, let on hire and deal in machinery and implements, metals, rolling stock, and hardwares of all kinds.
5. To carry on the business of an electric power, light and supply company in all its branches, and in particular to construct, lay down, establish, fix, and carry out all necessary power stations, cables, wires, lines accumulators, lamps, and works, and to generate, accumulate, distribute, and supply electricity, and to light cities, towns, streets, docks, markets, theatre buildings and places both public and private.
6. To carry on business of farmers, agriculturists and producers and growers of all kinds of herbs, plants and trees, and to plant, grow, or cultivate all kinds of herbs, plants or trees whatsoever as may be required for the use of any of the products of the Company, and generally to undertake and carry out all agricultural work, and for that purpose to own lands, forests, farms and gardens and equip them with all materials.
7. To purchase, charter, hire, construct, operate, equip and maintain ships, boats, barges, lighters, vessels, motor lorries, trailers, tractors, railway locomotives, wagons, Mills, warehouses, godowns, docks, piers, jetties, wharves, dolphins, moorings, navigation aids, railways, ropeways, sidings, waterways, ducts, channels, telephones and other communication equipments, conveyers, carts, electric power lines, aerial and underground, steam main and any other conveniences or erections suitable for any of the purposes, and to carry on the business of shipping, clearing and forwarding agents, transport of the products, by-products materials, bamboos, timber wood and grass, by railway, road, waterways, rivers, and all other means.
8. To establish, maintain, manage and operate restaurants, refreshment rooms, buffets, cafeterias and hotels and to carry on the business of general provision merchants, licensed victuallers, wine and spirit merchants and tobacconists.
9. To carry on the business of import, export, distribution of all merchandise and to act as agents, stockists, distributors for firms and Companies in India and abroad.
10. To carry on the business of manufacturers of and dealers in chemicals of any nature and kind whatsoever and as chemists, druggists, analytical or pharmaceutical chemists, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalis, acids, drugs, tanning, pharmaceutical, sizing, medicinal, chemical, industrial, and other preparations and articles of any nature and kind whatsoever mineral and waters, soaps, cements, oils, fats, paints, varnishes, compounds, drugs, dyestuffs, organic or mineral intermediates, paints and colour grinders, makers of and dealers in proprietary, articles of all kinds and of electrical, chemical, photographic surgical and scientific apparatuses, and materials, and to manufacture, refine, manipulate, import and deal in salts and marine minerals and their derivatives, by-products and compounds of any nature and kind whatsoever.
11. To establish and maintain transport services and transport facilities and to carry on the business of general carriers and forwarding agents and warehousemen.
12. To carry on the business of manufacture of and dealers in medicine, toilet preparations, perfumery colours, dyes, paper, cement, wood, cotton-yarn, silk yarn, and viscose rayon and textile goods.

13. To establish chemical manufacturing factories, refineries, distilleries for the purpose of using or turning into account any raw material, mineral, tailings, by products, waste or sewage connected with the Company's operations.
14. To carry on the business of real estate and develop the resources of and turn to account any lands and any rights over or connected with land belonging to or in which the Company is interested and in particular by clearing, draining, fencing, planting, cultivating, building, immigration, and improvement, farming irrigation, grazing, and by promoting irrigation and emigration and the establishment of towns, villages and settlements.
15. To exercise, conduct, research, develop, grant licences, in respect of, sell, let, or otherwise turn to account any inventions, processes, letters patent, licences, concessions, rights or privileges belonging to the Company or which it may acquire or any interest in the same; to apply for, take out, and register any patent or patents for any invention or inventions, or obtain exclusive or other privileges, in respect of the same, in any part of the world; and to manufacture and produce and trade and deal in all machinery, plant, articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with any such inventions, processes, letters patent for any inventions, licences, concessions, rights, or privileges as aforesaid.
16. To purchase or otherwise acquire, hold, sell, exchange, work, exercise, develop turn into account and dispose of any mines, mining, mineral rights or other similar rights, and to finalise, and carry on any business concern or undertaking so acquired in connection with the business of the Company.



IV. The liability of members is limited.

- V. The Authorised Share Capital of the Company is *Rs.125 crores (Rupees one hundred twenty five crores only)* divided into 12,50,00,000 (Twelve crores fifty lakhs only)* * Equity Shares of Rs.10/- each with power to the Company to increase or reduce the said capital and to issue any part of its capital, original or increased with or without any preferences, priority or special, privilege or subject to any postponement of rights or to any conditions or restrictions, so that unless the conditions of issue shall otherwise be subject to the power herein contained. The right and privileges attached to any shares having preferential qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with provisions of the Companies Act, 1956.

We, the several persons, whose names and addresses are subscribed, 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.



* Increased from Rs.85 crores (Rupees eighty five crores only) and 850,00,000 (Eight hundred fifty lakhs only) respectively vide Resolution No.10 dt.29.9.2016 passed by shareholders at the 32nd Annual General Meeting of the Company.

Serial No.	Signatures, Names, Addresses, Description and Occupation of Subscribers	Number of shares taken by each Subscriber	Witness with Address, description and occupation
1.	(Sd) M. HARISCHANDRA PRASAD Mullapudi Harischandra Prasad, S/o Late Shri Timmaraju, Old Town, TANUKU (A.P.) Industrialist	100 (One Hundred)	(Sd) M BULLI ABBAYI Medikonda Bulli Abbayi S/o Shri Balaramayya Secretary, The Andhra Sugars Ltd. Venkatarayapuram, TANUKU(A.P.)
2.	(Sd) B.B. RAMAIAH Bolla Bulli Ramaiah, S/o Late Shri Veera Venkanna, Venkatarayapuram, TANUKU (A.P.) Industrialist	100 (One Hundred)	- do -
3.	(Sd) P. NARENDRANATH CHOWDARY Pendyala Narendranath Chowdary, S/o Late Shri Sri Ramachandra Venkata Krishna Ranga Rao DOMMERU, Kovvur Tq. (A.P.) Industrialist	100 (One Hundred)	- do -
4.	(Sd) M. THIMMA RAJA Mullapudi Thimma Raja, S/o Shri Harischandra Prasad, Old town, TANUKU (A.P.) Industrialist	100 (One Hundred)	- do -
5.	(Sd) P. ATCHUTA RAMAYYA Pendyala Atchuta Ramayya, S/o Late Shri Sri Ramachandra Venkata Krishna Ranga Rao, TANUKU (A.P.) Industrialist	100 (One Hundred)	- do -
6.	(Sd) S.R. NAIR Sankara Radhakrishna Nair, S/o Shri N. Sankara Pillai, Manager, APIDC, HYDERABAD (A.P.) Service	10 (Ten)	- do -
7.	(Sd) D.A. SOMAYAJULU Duvvuri Annappa Somayajulu, S/o Shri D. Rama Rao, Secretary, APIDC, HYDERABAD (A.P.) Service	10 (Ten)	- do -

Total number of Equity Shares taken 520
(Five hundred twenty only)

Dated this 10th day of April 1984 at Hyderabad.

Under The Companies Act, 1956
(1 of 1956)
Company Limited By Shares
Articles of Association
of
The Andhra Petrochemicals Limited

Constitution of the Company

1. Regulations contained in Table 'A' in the first schedule to the Companies Act, 1956 shall not apply to this Company, except in so far as they are repeated or contained in the following Articles, which shall be the regulations for the management of the Company, subject to any exercise of the statutory powers of this Company with respect to the repeal or alteration of, or addition to, these Articles by special resolution, as prescribed by the aforesaid Companies Act, 1956.

Interpretation

2. In these Articles, unless there be some thing in the subject, or context inconsistent therewith.
- i) 'The Act' means the Companies Act, 1956.
 - ii) 'The Company' means The Andhra Petrochemicals Limited.
 - iii) 'The Seal' means the common seal of the Company approved by the Board of Directors from time to time.
 - iv) 'The Board' or 'The Board of Directors' means the Board of Directors of the Company.
 - v) 'Directors' means the Directors for the time being of the Company.
 - vi) 'The Managing Director' means any Director appointed by the Board of Directors or by the shareholders to be such for the time being.
 - vii) 'The Member' means shareholder holding a share or shares of any class in the capital of the Company and duly registered in the Register of Members of the Company from time to time, but does not include a bearer of share warrant of the Company issued in pursuance of Section 114 of the Companies Act, 1956.
 - viii) 'Equity Share Capital' means all share capital other than Preference Share capital.
 - ix) 'Paid up' shall include 'Credited as paid-up'.
 - x) 'Person' shall include any Association, Corporation, Company, as well as individuals.
 - xi) 'Dividend' includes Bonus.
 - xii) 'The Office' means the Registered Office for the time being of the Company.
 - xiii) 'The Register' means the Register of members of the Company kept pursuant to Section 150 (1) of the Companies Act, 1956.
 - xiv) 'Section' means a Section of the Companies Act, 1956.
 - xv) 'Financial year' means in relation to the Company, the period in respect of which any Profit and Loss Account of the Company laid before it in Annual General Meeting made up, whether that period is a year or not as per Section 2 (17) of the Act.
 - xvi) 'Year' and 'Month' means year and month according to the English Calendar.
 - xvii) 'In Writing' or 'Written' includes Printing, Lithography, Typewriting and any other mode or modes of representing or reproducing words in a visible form.
 - xviii) 'These Presents' or 'These Articles' or 'These Regulations' mean these Articles of Association of the Company as they may stand or altered from time to time and includes the Memorandum where the context so requires.
 - xix) 'The Registrar' means the Registrar of Companies with whom the Company is registered for the time being.

- xx) Words importing the masculine gender shall include the feminine gender.
xxi) Words importing the singular shall include the plural and vice-versa.

Share Capital

3. Except as provided by Section 77 of the Act, no part of funds of the Company shall be employed in the purchase of the shares of the Company and the Company shall not give, whether directly, or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with the purchase of or subscription made or to be made, by any person of or for any shares in the Company.
- 3A. *Notwithstanding anything contained in these Articles, the Company shall have power, subject to and in accordance with Sections 77A, 77AA, 77B and other applicable provisions of the Act or the corresponding provisions, rules, regulations and guidelines, including any amendments, modifications or re-enactments thereof, prescribed by the Government of India, the Securities and Exchange Board of India or any other authority in this behalf, to purchase any of its own fully paid-up shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities, provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of any earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by law on such terms, conditions and in such manner as may be prescribed by the law from time to time in respect of such purchase. ***
4. The Authorised Share Capital of the Company is Rs.125 crores (Rupees one hundred twenty five crores only) * divided into 12,50,00,000 (Twelve crores fifty lakhs only) * Equity Shares of Rs.10/- each.
5. Subject to the provisions of Section 80 of the Act, and these Articles, the Company shall have power to issue Preference Shares carrying a right to redemption out of profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be so redeemed at the option of Company.
6. With the previous authority of the Company in General Meeting and the sanction of the Court and upon otherwise complying with Section 79 of the Act, it shall be lawful for the Board of Directors to issue at a discount shares of a class already issued.
7. The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by the terms of issues of the shares of that class be deemed to varied by the creation or issue of further shares ranking pari passu therewith.
8. Subject to the provisions of the Companies Act, 1956 and these Articles, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons, on such terms, and conditions, and at such times as the Directors think fit, provided that where at any time it is proposed to increase the subscribed capital of the Company by the issue of new shares then, subject to the provisions of Section 81 of the Act, the Board shall issue such shares in the manner provided therein, *option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting. #*
9. Subject to the provisions of Sections 153A, 153B and 187B of the Act, and except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not save as ordered by some court of competent jurisdiction, be bound by or be compelled in any way to recognise (even when having notice thereof) any benami, equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right thereto in the person or persons from time to time registered as the holder thereof.

* Increased from Rs.85 crores (Rupees eighty five crores only) and 850,00,000 (Eight hundred fifty lakhs only) respectively vide Resolution No.10 dt.29.9.2016 passed by shareholders at the 32nd Annual General Meeting of the Company.

Inserted vide Resolution No.2 dt. 26-2-1991 passed by Shareholders at the Extraordinary General Meeting of the Company.

** Inserted vide Resolution No.8 dt. 22-9-2011 passed by Shareholders at the 27th Annual General Meeting of the Company.

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

Brokerage and Commission

11. The Company may on any issue of shares or debentures pay such brokerage as may be reasonable and lawful.
12. In addition to the payment of any reasonable sums as brokerage, the Company may, at any time pay a commission to any persons for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debenture or debenture-stock in the Company, or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares, debenture or debenture stock in the Company but so that (if the commission shall be paid or payable out of the capital) the commission shall not exceed 5 percent of the price at which the shares are issued or 2.5% of the price at which debentures are issued.
13. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Share Certificates

14. Every person whose name is entered as a member in the register of members shall be entitled to receive *within two months after allotment or after one month from the date of lodgement** for the registration of the transfer of any share (or within such other period as the conditions of issue shall provide):-

- (a) One certificate for all shares without payment or
- (b) Several certificates, each for one or more of such shares, upon payment of two rupees for every certificate after the first, provided that any sub-division, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges. *No fee would be charged for issue of duplicate share certificate in replacement of those that are old, decrepit or where the cages on the reverse has been completely exhausted. #*

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

15. Every share certificate shall be numbered, shall specify the amount paid-up thereon and shall be issued under the common seal of the Company and shall be signed by two Directors and Secretary or any other person authorised for the purpose by the Board of Directors. Particulars of every Share Certificate issued shall be entered in the register of members against the name of the person to whom it has been issued indicating the date of issue.
16. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for share to one of several jointholders shall be sufficient delivery to all such holders.
17. If a share certificate is torn through, defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding two rupees, and on such terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investing evidence, as the Directors think fit, provided that while issuing a share certificate the Company shall comply with the Companies (Issue of Share Certificates) Rules, 1960.

* Amended vide Resolution No.5 dt. 27-8-1990 passed by Shareholders at the 6th Annual General Meeting of the Company.
Inserted vide Resolution No.2 dt. 26-2-1991 passed by Shareholders at the Extraordinary General Meeting of the Company.

18. If any shares stand in the names of two or more persons, the person first named in the register shall, as regards receipt of dividend, the service of notices, and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meetings, and the transfer of the shares, be deemed the sole holder thereof.

Calls on Shares

19. The Board of Directors may, from time to time, make calls upon the shareholders in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board. A call may be made payable by instalments.
20. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed.
21. At least *thirty** clear days' notice of any call shall be given by the Company specifying the time and place of payment and to whom such call be made.
22. i) If by the terms of issue of any share or otherwise any amount is made payable on allotment or at any fixed time or by instalments at fixed times, whether on account of the nominal amount of the share or by way of premium, every such amount or instalment shall be deemed to be a call duly made and shall be payable on the date on which by the terms of issue such sum becomes payable.
- ii) In the case of non-payment of such sum all the relevant provisions of these Articles as to payment of interest(*), forfeiture or otherwise shall apply as if such sum had become payable by virtue of call and duly made and notified.
23. If the sum payable in respect of any call or instalments be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of 12 percent per annum or at such rate as the Directors may determine from time to time, from the day appointed for the payment thereof to the time of actual payment. The Directors shall be at liberty to waive payment of any such interest, wholly or in part.
24. The Directors may, subject to Section 92 of the Companies Act, 1956, receive from any member willing to advance all or any part of moneys, uncalled and unpaid any shares held by him and upon all or any of the moneys so advanced the Company may pay interest *which is not less than 15%*** as the member paying such sum in advance and the Directors agree upon. Money so paid in excess of the amount of calls shall not rank for *dividend, or participate in the profits of the Company#* until it is appropriated towards satisfaction of any call.
25. The joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments and interest on instalments and calls due in respect of such shares.
26. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the members sued; in pursuance of these presents and it shall not be necessary to prove the appointments of the Directors who make such call nor any other matter whatsoever, by the proof of the matters aforesaid shall be conclusive evidence of the debt.

* The word 'fourteen' has been substituted, (*) the words 'and expenses' have been deleted and (**) the words 'at such rate' have been substituted vide Resolution No.5 dt. 27-8-1990 passed by Shareholders at the 6th Annual General Meeting of the Company.

Substituted for the word 'dividend' vide Resolution No.2 dt. 26-2-1991 passed by Shareholders at the Extraordinary General Meeting of the Company.

Forfeiture, Surrender and Lien

27. (1) If a member fails to pay any call, or instalment, on or before the day appointed for payment thereof, the Directors may at any time thereafter during such time as the call or instalment remains unpaid, serve notice on him to pay the same together with any interest that may have accrued, and any expense that may have been incurred by the Company by reason of such non-payment.
- (2) The notice aforesaid shall state that in the event of non-payment on or before some day to be named in the notice (such may not being less than fourteen days from the date of service of such notice) in respect of which the call was made or instalment is payable, will be liable to be forfeited.
28. If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls, instalments, interest and expenses due in respect thereof, may be forfeited by a resolution of the Board to that effect, such forfeiture shall include all dividends declared *or** any other moneys payable in respect of the forfeited shares and not actually paid before the date of forfeiture.
29. The forfeiture of a share shall involve the extinction of all interests in and also of any claim and demands, against the Company in respect of the share, and all other rights incidental to the share, except only such of these rights as by these articles are expressly saved.
30. A person whose shares shall be so forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding the forfeiture, be liable to pay to the Company all calls or instalments, interest, and expenses owing upon or in respect of such shares at the time of forfeiture until payment at the rate of 12 percent per annum, or at such rate as the Directors may determine. The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.
31. Any shares so forfeited shall be deemed to be the property of the Company and the Board of Directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit.
32. The Directors may at any time before any shares so forfeited shall have been sold, re-allotted, or otherwise disposed of annul the forfeiture thereof upon such conditions as they think fit.
33. A duly verified declaration in writing that the declarant is a Director, or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
34. *** The Company shall have first and paramount lien upon all 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 the sale thereof for all moneys (whether payable presently or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created. And such lien shall extend to all dividends and bonuses declared from time to time in respect of such shares.*
- Unless otherwise agreed the registration of transfer of shares shall operate as a waiver of Company's lien, if any, on such shares. The Directors may at any time declare such shares wholly or in part to be exempt from the provisions of this Article.*
35. The Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, provided that no sale shall be made;
- a) Unless a sum in respect of which the lien exists is presently payable; or

* Inserted and ** amended vide Resolution No.5 dt. 27-8-1990 passed by Shareholders at the 6th Annual General Meeting of the Company.

- b) Until the expiration of fourteen days after a notice in writing demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency and stating that if the amount so demanded is not paid within the period specified at the Registered Office of the Company the said shares shall be sold.
36. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person.
37. (1) The net proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (2) The residue, if any, subject to a lien for sums not presently payable as existed upon the shares at the date of sale, be paid to the person entitled to the shares at the date of the sale.
38. Subject to the provisions of the Act the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

Share Warrants

39. With the previous approval of the Central Government the Company may issue share warrants subject to and in accordance with the provisions of Section 114 and 115 of the Act; and accordingly the Board may at its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any), as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
40. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.
- (2) Not more than one person shall be recognised as depositor of the share warrant.
- (3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
41. (1) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company or attend, or vote or exercise any other privilege of member at a meeting of the Company or be entitled to receive any notice from the Company.
- (2) The bearer of a share warrant be entitled in all other respects to the same privilege and advantages as if he were named in the register of members as the warrant, and he shall be a member of the Company.
42. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

Transfer and Transmission of Shares

43. The Company shall keep a 'Register of transfers' and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
44. (1) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and the transferee.
- (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
45. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act shall be duly complied with in respect of all transfers of shares and transfers thereof.
46. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge objection in writing at the office within 14* days from posting of such notice to him he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder the Directors shall be deemed to have decided not to give notice and in any event non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.
47. The Board, subject to the right of appeal confirmed by Section 111 of Act and Section 22(A) of Securities Contract (Regulation) Act, 1956*, may decline at any time in their absolute discretion and without specifying any ground to register any proposed transfer of shares whether fully paid-up or not, and whether the transferee is a member of the Company or not, to a person of whom they do not approve and may also decline to transfer any shares on which the Company has a lien, *but no transfer shall be refused on the ground that the transferor being alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.**
48. No transfer shall be made to a minor or a person of unsound mind, except through a guardian, who shall be personally liable to the Company for all dues in respect of such shares, and except with the approval of the Board.
49. (1) No instrument of transfer shall be recognised by the Board unless:
- a) the instrument of transfer is in the prescribed form and complies with all the formalities prescribed under Section 108 (1A) of the Act.
- b) the instrument of transfer is accompanied by the certificate of shares to which it related and such other evidence as the Board may reasonably require to approve the title of the transferor to make the transfer.
- c) the instrument of transfer is in respect of only one class of shares.
- (2) The Company shall not charge any fees for transfers or transmissions in respect of any number of shares of the Company.
50. The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine; provided that such registration shall not be suspended for more than forty five days in the aggregate in any year or for more than thirty days at any one time *with prior notice of 42 days being given.**
51. (1) On the death of a member, the survivor or survivors, where the member was a joint holder, and his legal representative where he was a sole holder shall be the only person recognised by the Company as having any title to his interest in the shares.

* Inserted vide Resolution No.5 dt. 27-8-1990 passed by Shareholders at the 6th Annual General Meeting of the Company.

- (2) Nothing in clause (1) shall release the estate of deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

(3)* **Nomination**

1. Every shareholder or debentureholder of the Company may at anytime nominate, in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
2. Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentureholder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

(4)* **Transmission of Securities by nominee**

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

- (i) to be registered himself as holder of the share or debenture, as the case may be; or
- (ii) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debentureholder, could have made;
- (iii) if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be;
- (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

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

* Inserted vide Resolution No.5 dt. 29-9-2000 passed by Shareholders at the 16th Annual General Meeting of the Company.

52. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as herein after provided elect, either:-
- a) to be registered himself as holder of the share; or
 - b) to make such transfer of the share as the deceased or insolvent member could have made.
- (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 insolvent member had himself transferred the share before his death or insolvency.
53. (1) 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.
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
54. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, and that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise, any right conferred by membership in relation to meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.
55. The Company shall incur no liability whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest and may have entered such notice, or referred thereto, in any book of the Company, and Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or 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 though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Alteration of Capital

56. The Company may, from time to time by ordinary resolution increase its share capital by such sum, to be divided into shares of such amount, as resolution shall specify.
57. Except as otherwise provided by or pursuant to these regulations or by the conditions of issue any new shares shall be Equity and/or Preference shares, and shall be subject to the provisions of these regulations with reference to the payment of call, transfer, transmission, forfeiture, lien and otherwise.
58. The Company may, by ordinary resolution:-
- (a) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

- (b) Sub-divide its shares or any of them, into shares of smaller amount than if fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on such reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
 - (c) Cancel any share which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the share so cancelled.
59. The Company may from time to time, by special resolution and on compliance with the provisions of Section 100 of the Act, reduce its share capital and any capital reserve fund or share premium account.
60. The Company may convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

60 (A) * DEMATERIALISATION OF SECURITIES

a. Definitions

For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India.

'Depository' means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and

'Security' means such security as may be specified by SEBI from time to time.

b. Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 or any amendments thereof.

c. Issue of Securities and option for investors

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities under the Depositories Act and offer and issue its securities in the dematerialised form and the Company shall intimate the details of allotment to the depository immediately on allotment of such securities. Investors in a new issue and the beneficial owners shall have the option to rematerialise the shares subsequent to the allotment or dematerialisation, as the case may be, in which event the Company shall issue to the investor/beneficiary the required certificates of securities subject to the provisions of applicable laws, rules, regulations or guidelines.

d. Securities in depository mode to be in fungible form

All securities held in the depository mode with a depository shall be dematerialised and be in fungible form. To such securities held by a depository on behalf of the beneficial owner, nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, 1956 shall apply.

e. Rights of depositories and Beneficial Owners

i. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

* Inserted vide Resolution No.5 dt. 29-9-2000 passed by Shareholders at the 16th Annual General Meeting of the Company.

- ii. *Save as otherwise provided in (i) above, the depository as the registered owner of securities shall not have any voting or other rights in respect of the securities held by it.*
- iii. *Every person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by a depository shall be deemed to be a member of the Company. The beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all liabilities in respect of the securities held by the depository.*

f. **Service of documents**

Notwithstanding anything to the contrary in the Companies Act, 1956 or these Articles, where securities are held in a depository mode, the records of the beneficial owner may be served by a depository on the Company by means of electronic mode or by delivery of floppies or discs.

g. **Transfer of securities**

Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered in the Register maintained under the Depositories Act by a depository as beneficial owners.

h. **Distinctive numbers of securities held in the depository mode**

Nothing contained in the Companies Act, 1956 or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.

i. **Register and Index of Beneficial Owners**

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be Register and Index of Members and holders of securities for the purpose of these Articles and the Act.

- 61. The holders of stock may transfer the same or any part thereof in the same manner, as, and subject to the same regulation under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit, provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- 62. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, voting at meetings of the Company and other matters as if they hold the shares from which the stock arose, but no such privileges, or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares, have conferred that privileges or advantage.
- 63. Such of the regulation of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words 'shares' and 'shareholders' in those regulations shall include 'stock' and 'stock holder' respectively.

Borrowing powers

- 64. Subject to the provisions of these Articles and of the Act, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertakings property (both present and future) and uncalled capital, or any part thereof and to issue debentures, stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

65. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by circulation) by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being.
66. Any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise, may be made assignable free from any enquiries between the Company and person to whom the same may be issued and may be issued on the condition that they shall be convertible into shares of any authorised denomination, and with privileges, and conditions as to redemption, surrender drawings allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
67. All cheques, promissory notes, hundies, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be by such person and in such manner as the Board may from time to time by resolution determine.

General Meetings

68. (a) The Board of Directors shall call Annual General Meeting of the Company in accordance with the provisions of Sections 166 and 210 of the Companies Act, 1956.
- (b) All General Meetings other than the Annual General Meetings of the Company shall be called Extra-ordinary General Meetings.

68 A*. **Resolutions By Postal Ballot**

Notwithstanding anything contained in these Articles, pursuant to Section 192A of the Companies Act, 1956, the Company may, and in the case of resolution relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot (including voting by electronic mode), shall, get any resolution passed by means of a postal ballot (including voting by electronic mode), instead of/in addition to transacting the business in the General Meeting of the Company. Where the Company decides to pass any resolution by postal ballot, it shall send a notice by post or by any other method as may be prescribed by the Central Government in this behalf to all the shareholders, along with draft resolution explaining reasons therefor, and requesting them to send their assent or dissent in writing on a postal ballot, in postage pre-paid envelope to be provided by the Company, within a period of 30 days or within such period as may be prescribed by the Central Government from the date of posting of the notice.

If a resolution is assented to by a requisite majority of the shareholders by means of postal ballot (including voting by electronic mode), it shall be deemed to have been duly passed at a General Meeting in that behalf.

69. The Board of Directors of the Company as is specified in sub-section (4) of Section 169 of the Act, forthwith proceed duly to call an Extra-ordinary General Meeting of the Company and the provisions of Section 169 of the Act shall apply thereto.
70. Five members personally present shall be the quorum for a General Meeting. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the meeting.
71. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting and if there be no such Chairman or if in any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the members present shall choose another Director as Chairman and if no Directors be present or if all the Directors present decline to take the Chair, then the members present shall choose one of their members being a member entitled to vote to be the Chairman.

* Inserted vide Resolution No.4 dt. 29-9-2001 passed by Shareholders at the 17th Annual General Meeting of the Company.

72. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved, but in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such time and place, as the Board may by notice appoint and if at such adjourned meeting a quorum be not present, those members who are present, not less than two, shall be quorum and may transact the business for which to be transacted was called.
73. The Chairman with the consent of the meeting may adjourn any General Meeting from time to time and place to place, but no business shall be transacted at any adjournment General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place and which might have been transacted at that meeting.
74. Except where otherwise provided by the Companies Act, 1956 or by these presents every question to be decided by any General Meeting shall, in the first instance, be decided by a show of hands. In case an equality of votes, the Chairman shall both on a show of hands and at a poll have a casting vote, in addition to vote or votes to which he may be entitled as a Member.
75. Poll may be demanded and taken in accordance with and subject to the provisions of Sections 179, 184 and 185 of the Companies Act, 1956.
76. Unless a poll is demanded in accordance with Section 179 of the Companies Act, 1956 before or on the declaration of the result by the show of hands, a declaration of the Chairman, that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minutes or the proceedings of the meeting, shall be sufficient evidence of the fact so declared, without proof of the number or proportion of the votes given for or against the resolution.
77. If a poll is demanded as aforesaid, it shall be taken subject to Sections 180 to 185 of the Companies Act, 1956 in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
78. The Company shall cause minutes of all proceedings of every general meeting and of its Board of Directors or of every committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be *initialled and the last page of the minutes of such meeting shall be* * dated and signed;
- a) in the case of minutes of proceedings of a meeting of the Board or a Committee thereof, by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - b) in the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose. In no case the minutes or proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
79. On a show of hands, every member present in person, or by proxy, or attorney and being a holder of Equity shares, and entitled to vote shall have one vote. On a poll the voting rights of member shall be as laid down in the Act. Preference shareholders shall have right to vote in accordance with the provisions of Section 87 of the Act.
80. If two or more persons are jointly registered as holders of any one share, any of such persons may vote at any meeting, either personally, or by proxy or attorney, as if he were solely entitled thereto and if more than one so such joint holders be present at any meeting personally or by proxy or attorney one of such persons so present whose name stands first in the register in respect of such share, shall be entitled to vote in respect of the same. Several executors, or administrators, of a deceased member in whose names any share stands shall, for the purpose of this clause be deemed joint-holders.

* Inserted vide Resolution No.7 dt. 9-9-1991 passed by Shareholders at the 7th Annual General Meeting of the Company.

81. No member shall be entitled to be present or to vote at any General Meetings, either personally, or by proxy, or attorney whilst any call or other sum is due and presently payable to the Company or in regard to which the Company has and has exercised, any right of lien.
82. 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.
83. (1) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (2) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
84. Subject to Section 176 of the Companies Act, 1956 votes may be given either personally or by proxy or by agent acting under a duly executed power of Attorney.
85. The instrument appointing a proxy, and every power of attorney or other authority (if any) under which it is signed, or notarially certified copy of that power of authority, shall be deposited at the registered office of the Company, not less than 48 hours before the time for holding the meeting at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
86. An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or a form as near thereto as circumstances admit.
87. Any member of the company entitled to attend and vote at the meeting of the company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed, shall not have any right to speak at the meeting.
88. A vote given in accordance with the terms of an instrument of proxy or a power of attorney shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or power of attorney, or transfer of the share in respect of which the vote is given unless an intimation in writing of the death, revocation, or transfer, shall have been received at the office of the company before the commencement of the meeting.

Common Seal

89. **The Company shall have a common seal and the same shall not be applied to any instrument except with the authority of the Board or a committee of the Board authorised by it in that behalf and in the presence of at least one Director, or any other person duly authorised by the Board who shall sign every instrument to which seal of the Company is so affixed in their presence. The Board shall have power to destroy the common seal and substitute a new seal in lieu thereof.*
90. The Seal, until otherwise directed, shall be in the custody of the Managing Director.

Directors

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

* Substituted vide Resolution No.7 dt. 9-9-1991 passed by Shareholders at the 7th Annual General Meeting of the Company.

92. Unless otherwise determined by the Company in General Meeting the number of Directors shall neither be less than 3 nor more than 12 inclusive of nominee Directors, Technical Directors, special Directors and Debenture Directors, alternate and additional Directors, if any, and including any other kind of Directors on the Board.

Provided that the Nominee Directors appointed by the IFCI, IDBI, LIC, UTI, IRBI and State Financial Corporation would be outside the maximum number of Directors and the Directors appointed by other Financial Institutions and Banks will have to be accommodated within the maximum number of Directors provided in these Articles.

*Provided further that the approval of the Central Government would be required to increase the number of Directors beyond 12. **

93. The first Directors of the Company shall be:

1. Dr. Y. Nayudamma
2. Shri M. Harischandra Prasad
3. Shri B.B. Ramaiah
4. Dr. S.R. Nair

94. (**)

95. i) The Board of Directors may appoint an alternate Director to act for a Director during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.
- ii) An alternate Director so appointed shall not hold office longer than the original Director in whose place he has been appointed and shall vacate office on the return of the original Director to the State in which meetings of the Board are ordinarily held.
- iii) If the term of office of the original Director is determined before he so returns to the State aforesaid, any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original and not to the alternate Director.
96. i) At the Annual General Meeting at which a Director retires, the vacancy may be filled up by appointing the retiring Director, or some other person in accordance with the provisions of Section 257 of the Act.
- ii) If the place of retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the provisions of Section 256(4) of the Act shall apply.

97. The Board of Directors may, from time to time and at any time, appoint a person as an additional Director, who shall retire at the next annual General Meeting of the Company but shall be eligible for re-election by the Company at that meeting provided that the number of Directors including such additional Directors shall not exceed the maximum strength fixed by these Articles.

98. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office will expire in the normal course the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

99. The continuing Directors may act as a Board notwithstanding any vacancy in the body, but if the number falls below the minimum number fixed under these Articles, the Director shall not except for the purposes of filling the vacancy, summoning a General Meeting of the Company or for emergency, act as long as the number is below the minimum.

* Inserted vide Resolution No.8 dt.30-9-1989 passed by Shareholders at the 5th Annual General Meeting of the Company.
(**) Deleted vide Resolution No.6 dt. 30-9-1993 passed by Shareholders at the 9th Annual General Meeting of the Company.

Nominee Directors

Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit & Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI), Asian Development Bank, or Common-wealth Development Corporation or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC, UTI, ADB & CDC or any other Financing Company or Body is hereinafter in this Article referred to as 'the Corporation') continue to hold debentures in the Company by direct subscription or private placement, or so long as the corporation holds share in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non whole-time, (which Director or 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 their place/s.

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

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

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

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

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

In the event of the Nominee Director/s being appointed as whole-time Director/s, such Nominee Director/s shall exercise such powers 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.

* Inserted vide Resolution No.6 dt.27-8-1988 passed by Shareholders at the 4th Annual General Meeting of the Company.

- (i) *Notwithstanding to the contrary contained in these Articles, but subject to the provisions of the Act, so long as any moneys remain owing by the Company to Asian Development Bank & Commonwealth Development Corporation (hereinafter referred to as the "ADB" & "CDC") out of any loans respectively granted by them to the Company or so long as the ADB/CDC holds any equity or preference shares of the Company, as a result of direct subscription, ADB/CDC shall have a right to appoint from time to time any person as a non Whole-time Director or Directors (which Director/s is hereinafter referred to as 'ADB/CDC Director/s'), on the Board of Directors of the Company and to remove from such office any person so appointed and to appoint any other person in his place. In addition, ADB/CDC shall also have the right to require the Board of Directors of the Company to appoint an Alternate Director to such ADB/CDC Director to hold office in accordance with the provisions of Section 313 of the Companies Act, 1956.*
- (ii) *ADB/CDC Director/s appointed as aforesaid, shall not be required to hold any share qualification in the Company nor shall be liable to the provisions of retirement of Directors by rotation. Subject as aforesaid, ADB/CDC Director/s shall be entitled to the same rights and privileges and subject to the same rights and privileges and subject to the same obligation as any other non Whole-time Director of the Company.*
- (iii) *The appointment by ADB/CDC of such Director/s shall take effect immediately upon the receipt by the Company of the nomination in writing from ADB/CDC without requiring any further consent or Resolution from the Board of Directors or Members of the Company.*
- (iv) *ADB/CDC Director/s appointed as aforesaid, shall hold office only so long as any moneys remain owing by the Company to ADB/CDC or so long as the ADB/CDC holds any equity and/or preference shares of the Company as a result of direct subscription or otherwise, and the ADB/CDC Director/s appointed as aforesaid shall ipso facto vacate office immediately upon the moneys owing by the Company to the ADB/CDC being paid off or on the ADB/CDC ceasing to hold shares in the Company, as the case may be.*
- (v) *It is clarified that the ADB/CDC may appoint one or more such person or person/s so that the same shall not be more than two Directors at any point of time by each of ADB/CDC and the Director/s appointed by ADB/CDC as well as ADB/CDC itself shall be entitled to receive notices of all General Meetings of the Company, Board Meetings and all the Meetings of the Committee of which ADB/CDC Director/s is/are a member and also the minutes of such meetings. The Company may, subject to necessary approvals, pay to the ADB/CDC Director/s the normal allowances, other remuneration, travelling and boarding expenses as applicable to the non Whole-time Directors of the Company and unless the ADB/CDC otherwise requires no sitting fee or any other remuneration shall be payable to such Director/s but that the Company shall reimburse to ADB/CDC or as the case may be to Director/s any amount that may be payable on account of travelling and lodging expenses or allowances and any other expenses for attending any General Meeting or Meeting of the Board of Directors or of the Committee of Directors of the Company.*

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

* Inserted vide Resolution No.5 dt.28-11-1988 passed by Shareholders at the Extraordinary General Meeting of the Company.

Remuneration of Directors

101. i) The remuneration, if any, payable to the Director shall be determined in accordance with and subject to the provisions of Sections 198, 309 and 314 of the Act.
- ii) In addition to the remuneration payable to him as aforesaid, the Director shall be paid travelling, hotel and other expenses as determined by the Board from time to time for attending and returning from meeting of the Board of Directors or any Committee thereof, or in connection with the business of the Company.
- iii) **The remuneration payable to each Director for every meeting of the Board or Committee thereof attended by him shall be such amount as is for the time being and from time to time permitted to be paid under the Companies Act, 1956 as the Board may fix.*
102. i) Subject to the provisions of Section 314 of the Act, without the consent of the Company accorded by a Special Resolution no Director of the Company shall hold any office or place of profit under the Company and no partner or a relative of such Director is a partner, no private company of which such Director no firm in which such Director or a relative of such Director is a Director or member and no Director or Manager of such a private company shall hold any office or place of profit under the company carrying a total monthly remuneration of Rs.500/- or more except that of Managing Director or Manager, Banker or trustee for the debenture holders of the Company.
- ii) Notwithstanding anything contained in sub-clause (i) no partner or relative of Director or Manager, no firm in which such Director or Manager or relative of either is a partner, no private company of which such a Director or Manager or relative of either is a Director or Member shall hold any office or place of profit in the company which carries a total monthly remuneration of not less than three thousand rupees, except with the prior consent of the Company by a Special Resolution and the approval of the Central Government.
103. i) Every Director of the Company who is in any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors.
- ii) In the case of a proposed contract or arrangement the disclosure required to be made by a Director under sub-clause (i) shall be made at the meeting of the Board at which, the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date of that meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.
- iii) In the case of any other contract or arrangement the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- iv) For the purpose of sub-clauses (i) and (ii) hereof a general notice given to the Board by a Director, to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
- v) Any such general notice shall expire at the end of the financial year of the Company in which it is given but may be renewed for further periods of one financial year at a time, by a fresh notice given in the last month of the financial year of the Company in which it would otherwise expire.

* Amended vide Resolution No.5 dt.30-9-1993 passed by Shareholders at the 9th Annual General Meeting of the Company.

- vi) No such General notice, and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- vii) Nothing in this clause shall be taken to prejudice the operation of any rule or law restricting a Director of the Company from having any concern or interest in any contracts or arrangements with the Company.

104. No Director of the Company shall as Director take any part in the discussion, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is any way, whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void.

Provided however that a Director may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company.

105. Except with the consent of the Board and, if necessary, previous approval of the Central Government, a Director of the Company or, his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm or a private company of which the Director is a member or Director, shall not enter into any contract with the Company.

- i) For the sale, purchase or supply of any goods, materials or services, or
- ii) For underwriting the subscription of any shares in or debentures of the Company.

Nothing contained in Sub-clause (i) of the preceding Article shall affect any contract or contracts for the sale, purchase or supply of any goods, materials or services in which either the company, or the Director firm, partner or private company as the case may be, regularly trades or does business, provided that the value of such goods and materials and the cost of such services do not exceed Rs.5,000/- in the aggregate in any financial year comprised in the period of contract or contracts.

The consent of the Board required by the preceding Article shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded by a resolution passed at a meeting of the Board and before the contract is entered into or within three months of the date on which it was entered into.

Where such consent is not accorded to the contract before it is entered into, anything done in pursuance of the contract, shall, if such consent is finally not accorded, be voidable at the option of the Board.

106. Where the Company:

- i) Enters into a contract for the appointment of a Manager of the Company, in which contract any Director of the Company in any way whether directly or indirectly is concerned or interested, or
- ii) Varies any such contract already in existence and in which a Director is concerned or interested as aforesaid,

the provisions contained in Section 302 of the Act shall be complied with.

107. Every Director, Managing Director, Manager or Secretary of the Company who is appointed or who relinquishes the office of Director, Managing Director, Manager or Secretary of any other body corporate shall, within twenty days of his appointment, disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under Section 303 of the Act.

108. i) Every Director of the Company and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.
- ii) Any such notice shall be given in writing and if it is given at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given.
109. No loans shall be granted to any Director/Directors in contravention of the provisions of the Section 295 of the Companies Act, 1956.

Vacation of Office by Directors

110. The Office of a Director shall become vacant if:
- a) he is found to be of unsound mind by Court of competent jurisdiction;
 - b) he applies to be adjudicated an insolvent;
 - c) he is adjudged an insolvent;
 - d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;
 - e) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board;
 - f) he or any firm in which he is a partner or any private company of which he is a Director accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act;
 - g) he acts in contravention of Section 299 of the Act;
 - h) he becomes disqualified by an order of Court under Section 203 of the Act.

Rotation of Directors

111. 1) At every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
- Provided that the Nominee Directors appointed by the IFCI, IDBI, LIC, UTI, IRBI and State Financial Corporation shall not be counted for determining the proportion of non-rotational Directors.**
- 2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in Office since their last appointment but has between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lots.
 - 3) At the Annual General Meeting at which a Director retires as aforesaid the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
 - 4) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next

* Inserted vide Resolution No.8 dt.30-9-1989 passed by Shareholders at the 5th Annual General Meeting of the Company.

week at the same time and place, or if that day is a Public Holiday till the next succeeding day which is not a Public Holiday at the same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:

- i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
 - ii) the retiring Director has, by a notice, in writing addressed to the Company or its Board of Directors, expressed his un-willingness to be so re-appointed.
 - iii) he is not qualified or is disqualified for appointment.
 - iv) a resolution, whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the Act.
 - v) the proviso to sub-section (2) of Section 263 is applicable to the case.
- 5) When a Director is to retire at any Annual General Meeting by virtue of sub-clause (2) hereof he shall be deemed for purposes of this clause to retire by virtue of sub-clause (2) of this clause.
112. Subject to the provisions of Section 284 of the Act, the Company may, by ordinary Resolution remove any Director (not being a nominated Director) before the expiry of his period of Office.
113. No person other than a retiring Director shall be eligible for election to the Office of Director at any General Meeting unless the requirements of Section 257 are complied with.
114. A person, other than a retiring Director, shall not act as a Director of the Company unless he has within 30 days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.
115. i) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.
- ii) A resolution moved in contravention of Sub-Clause (i) hereof shall be void whether or not objection was taken at the time to its being so moved. Provided that where a resolution so moved is passed, no provision for the automatic re-appointment of the Directors retiring by rotation in default of another appointment shall apply.
- iii) For the purpose of this clause, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

Chairman

116. **The Andhra Sugars Limited shall have the right to appoint one of the Directors of the Company as the Chairman of the Board of Directors of the Company. The Chairman shall have a casting vote in addition to his vote. If at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their members to be the Chairman of the meeting.*
117. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings, as they think fit, provided that a meeting of the Board of Directors shall be held at least once in every three calendar months.

* Substituted vide Resolution No.6 dt.30-9-1993 passed by Shareholders at the 9th Annual General Meeting of the Company.

118. The quorum for a meeting of the Board of Directors shall be one-third of the total strength of Directors (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher; provided that where at any meeting the number of interested Directors exceeds and is equal to two-thirds of the strength, the number of Directors that is to say, the number of the Directors who are not interested, shall be the quorum during such time.
119. A Director may, and the Manager or Secretary on the requisition of a Director shall, at any time convene a meeting of the Board.
120. Except otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote. (*)
121. A meeting of the Board for the time being where a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company for the time being vested in or exercisable by the Board generally.
122. The Board of Directors may delegate any of their powers to committees consisting of such member or members of their body or such other persons as they think 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 any regulations that may from time to time be imposed upon it by the Board. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under this clause.
123. All acts done by any meeting of the Board of Directors or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be Director.
124. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the Resolution has been circulated in draft, to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members at their usual address in India and has been approved by such of Directors as are then in India, or by a majority of such of them as are entitled to vote on the Resolution.
125. The Directors shall cause minutes of meetings of the Board of Directors to be duly entered in books provided for the purpose in accordance with the provisions of Sections 193 and 194 of the Act.

Powers of Directors

126. The management of the business of the Company shall be vested in the Directors who shall exercise all such powers and do on behalf of the Company all such acts and things as the Company is by its Memorandum of Association or otherwise authorised to exercise and do, and as are not by law expressly directed or required to be directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of any law and of these Articles and to any regulations, from time to time, made by the Company in General Meeting; but no regulations made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been varied if such regulations had not been made. It is hereby expressly declared that without prejudice to the General Powers conferred by the preceding clause and other powers conferred by these presents that the Board shall have the following powers which they may exercise through the Managing Directors, Executive Director and Technical Director.

(*) Deleted vide Resolution No.6 dt.30-9-1993 passed by Shareholders at the 9th Annual General Meeting of the Company.

- 1) To pay the costs, charges and expenses, preliminary and incidental to promotion, formation, establishment and registration of the Company, or any other Company and subsequent to the registration thereof, and to place the same to a separate account to be called the preliminary expenses account and to have the same charged upon the funds of the Company either on revenue or capital account as the Directors shall think fit.
- 2) To enter forthwith into agreement with the Managing Directors, Technical associates and Executive Directors.
- 3) To appoint and at their discretion remove or suspend such Managers, Secretaries, Officers, members of staff and workers for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amounts as they think fit.
- 4) To borrow on the mortgage of the whole or any part of the property of the Company, or on the bonds, debentures (either unsecured or secured by a charge of mortgage), notes or other securities of the Company, or otherwise as they deem expedient, such sums as they may think necessary for the purpose of the Company, subject to Sections 292 and 293 of the Act.
- 5) To purchase or otherwise acquire for the Company any property, rights, or privileges which the Company is authorised to acquire, at such price and generally on such terms and conditions as they think fit; and at their discretion to pay for any property, rights or privileges acquired by, or services rendered to the Company, either wholly or partly in cash or in shares, or in both, or in bonds, debentures or securities of the Company; and any such shares may be issued either as fully paid-up or such amounts credited as paid-up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specially charged upon all or in part of the property of the Company and its uncalled capital or not so charged.
- 6) To undertake on behalf of the Company the payment of all rent and performances of covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or acquired by the Company.
- 7) To purchase, take on lease, or otherwise acquire, and to sell for cash or on credit and either wholesale or retail and for ready or future delivery moveable or immovable properties or any rights or privileges which the Company is authorised to acquire and dispose of at such price and generally on such terms and such conditions as they may think fit and to sign contracts, agreements, conveyances, assignments, leases, mortgages, reconveyances, transfers, proceeds and other documents and to register documents and admit execution thereof.
- 8) To draw, accept, endorse, negotiate, purchase and sell bills of exchange or other negotiable instruments with or without security and to determine from time to time, who shall be entitled to sign on the Company's behalf, bills, notes, receipts, expenses, endorsements and all such negotiable documents.
- 9) To entrust to and confer upon the Managing Directors, Executive Directors, Technical Directors or other officers for the time being of the Company, to authorise or empower them to exercise and perform and by power of attorney under Seal to appoint any persons to be the attorneys of the Company and invest them with such of the powers, authorities, duties and discretion, exercisable as the Directors may think fit and for such time and for such objects and purposes as the Directors may think proper or expedient and from time to time to revoke all such appointments or attorneys, and withdraw, alter or vary all or any of such powers, authorities, duties and discretions.

- 10) To give to any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general or particular profits of the Company, and such commission or share of profits shall be treated as part of the working expenses of the Company.
- 11) To appoint, subject to Section 49 of the Act, any person (whether incorporated or not); to accept and hold any trusts for the Company, any property belonging to the Company, or in which it is interested, or for any other purpose, and to execute and to do all such deeds, acts and things as may be requisite in relation to any such trust, and provide for the remuneration of such trustee or trustees.
- 12) To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgage of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- 13) To allow time for payment of any debts due to the Company and to compound such debts on any claim or demands by or against the Company and to refer any such claims, or demands by or against the Company to arbitration, and to observe and perform awards.
- 14) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company, and also to compound and allow for payment or satisfaction for any debts due, and of any claims or demands by or against the Company.
- 15) To enter into any agreement with any Government or authority, municipal, local or otherwise and obtain from them any licences, rights, concessions and privileges as the Directors may deem fit.
- 16) To provide from time to time for the Management of the Company at the Head Office, elsewhere in India or/and abroad such manner as they think fit and in particular to establish branches and to appoint any person to be the attorneys or the agents of the Company with such powers (including power to sub-delegate) and upon terms as may be thought fit; and for this purpose the Company may exercise the powers conferred by the Companies Act, 1956, relating to the official seal for use abroad and the keeping of a foreign register respectively, and such powers shall accordingly be vested in the Directors.
- 17) To open banking accounts with any bank or banks for and in the name of the Company and to operate on the same either through the Managing Director or other Directors or Officers duly authorised therefor from time to time, whether the accounts be overdrawn or not.
- 18) To make and give receipts, releases and other charges for moneys payable to the Company and for the claims and demands of the Company.
- 19) To invest and deal with the money of the Company upon such shares, securities, debentures and investments and in such manner as they may think fit, and from time to time, to vary or realise such investments.
- 20) To provide for the welfare of the employees, or ex-employees of the Company or its predecessors in business, and the wives, widows, and their families or their dependants, by grants of money, bonuses, allowances etc., or by creating bonuses, payments towards insurances or other payments etc., or by creating and subscribing from time to time provident and other associations, trusts or conveniences, and places of instruction and recreation, hospitals and dispensaries and all other assistances as the Company shall think fit; and to subscribe or contribute or, otherwise to assist or to guarantee money to charitable, benevolent, religious, political, scientific, national, or other institutions for any public, general or useful objects.

- 21) To give awards or allow any pension, gratuity, compensation, bonus to any employee of the Company, widow, children or dependents, that may appear to the Directors just and proper whether they have or have not a legal claim upon the Company.
 - 22) To acquire or erect houses or buildings for the offices, and the employees of the Company or for the purposes of investment or otherwise and insure all or any of the insurable property of the Company.
 - 23) From time to time, to make, vary and repeal bylaws for the regulation of the business of the Company, its officers and servants.
 - 24) For or in relation to any of the matters aforesaid, or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient.
 - 25) To appoint local committees or Boards in India or elsewhere.
 - 26) To split share certificates, letters of allotment and any "Rights issue", to split letters of rights into smaller denominations in the same name and to have any such splits certified by any official of the Company.
 - 27) And generally at their absolute discretion to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company except such acts and things as by law or by the Memorandum of Association of the Company or by these presents may stand prohibited.
127. 1) There may be constituted a Committee of Directors to assist the Board of Directors in looking after special and important aspects of the working of the Company by examining in detail and depth, important proposals relating to the expansion, diversification, increase in production etc., before the said proposals are considered by the Board and in ensuring that the decisions taken by the Board are properly and effectively carried out. The Committee shall also assist the Managing Director in time of urgency and imperative need to take important decisions falling outside his delegated powers, subsequently to be ratified and approved by the Board of Directors to ensure continued smooth and effective operations of the Company.
- 2) The Board of Directors shall not except with the consent of the Company in General Meeting:
- a) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
 - b) remit or give time for the repayment of any debt due by a Director;
 - c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
 - d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or
 - e) contribute to charitable and other funds not directly relating to the business of the

Company or the welfare of its employees, any amounts the aggregate of which will in any financial year exceed fifty thousand rupees, or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.

- 3) Any resolution passed by the Company permitting any transaction such as is referred to in clause a) of sub-section (1) may attach such condition to the permission as may be specified in the resolution including conditions regarding the use, disposal, investment of the sale proceeds which may result from the transaction.

Provided that the said sub-section shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.

128. The Board of Directors shall exercise the following powers on behalf of the Company only by means of resolution passed at meeting of the Board :-

- a) the power to make calls on shareholders in respect of money unpaid on their shares;
- b) the power to issue debentures;
- c) the power to borrow moneys other than on debentures;
- d) the power to invest the funds of the Company; and
- e) the power to make loans.

Provided that subject to the provisions of Section 292 (2),(3) and (4) of the Act, the Board of Directors may delegate to any Committee of Directors, the Managing Director, Manager or any principal officer of the Company, the powers specified in clause (c), (d) and (e) of this Article.

129. The Board of Directors may delegate all or any of such powers, authorities and discretions to the Managing Director or of other officer/s of the Company on such terms and conditions as they think fit.

Managing or Whole-Time Directors

130. a) Subject to the provisions of the Act and subject to the sanction of the Government of India, the Company in general meeting or the Board may, appoint one or more of their body as Managing, Technical, Executive or Whole-time Directors for such period and on such terms and conditions as may be decided upon from time to time, and delegate any of the functions of Directors to the person or persons so appointed. A Director or Directors so appointed shall not unless otherwise stated, while holding that office be subject to retirement by rotation to be taken into account in determining the number of Directors due to retire by rotation.
- b) Subject to the provisions of the Act, subject to the sanction of the Company in General Meeting, the Company may remunerate the aforesaid Managing, Technical, Executive or Whole-time Directors with such amounts and on such terms as the Company may deem fit. The remuneration is in addition to travelling and out-of-pocket expenses incurred by them in connection with the business of the Company.
- c) Subject to the control and supervision of the Board of Directors, the business of the Company shall be carried on by Managing Director, Executive Directors and Technical Directors.
- d) The Directors, may, from time to time, resolve that there shall be either one or more Executive and/or Technical Directors, besides the Managing Director.
- e) If the Managing, Technical or Executive Directors cease to hold office as a Director, they shall *ipso facto* and immediately cease to hold such offices.

- f) In the event of vacancy arising in the office of the Managing Director, the vacancy shall be filled by the Board of Directors and the Managing Director so appointed shall hold office for such period as the Board of Directors may fix, subject to the approval of the Central Government on such terms and conditions as may be approved.
131. a) Subject to the provisions of the Act, the Board shall have power to appoint from time to time one or more of their body to the office of the Managing Director or Whole-time Director or Whole-time Directors for such period and on such terms as they think fit, such period not exceeding five years at a time. A Director so appointed shall not whilst holding that office be subject to retirement by rotation.
- b) *The Managing Director of the Company shall be the nominee of the Andhra Sugars Limited.**
- c) (**)
132. The Management of the day to day affairs of the Company shall vest with the Managing Director who shall discharge his duties under the general superintendence and control of the Board of Directors and shall be subject to any directions and restrictions given or imposed by the Board of Directors from time to time. He shall be the Chief Executive of the Company and all other full time Directors, if any and Executives and functionaries of the Company shall be subordinates to him and shall report to him.

Secretary

133. Subject to the provisions of the Act, a Secretary shall be appointed for the Company by the Board of Directors for such time, at such remuneration and upon such conditions as it thinks fit and the Secretary so appointed may be removed by the Board.
134. Subject to the provisions of Section 383-A, a Director may be appointed as Secretary.
135. The Company in Annual General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
136. i) The Board of Directors may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.
- ii) Dividends shall be paid by the Company in respect of any shares therein to the registered holder of such shares or to his order or to his bankers or to the bearer of a share warrant (if issued) or to his banker.
- iii) A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.
137. Warrant in respect of a dividend shall be posted or the payment shall be made to the persons entitled to the payment of the dividend within forty two days from the date of declaration of dividend unless it becomes impossible for any of the reasons given under the proviso to Section 207 of the Act.
138. The Board may, subject to Section 205 of the Act, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting the contingencies or for equalising dividends; and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investment (other than shares of the Company) as the Board may from time to time think fit.
139. 1) The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.

* Substituted and (**) deleted vide Resolution No.6 dt.30-9-1993 passed by Shareholders at the 9th Annual General Meeting of the Company.

- 2) The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
 - 3) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.
 - 4) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share.
 - 5) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
140. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
141. The Company may at General Meeting, in declaring dividend, make a call on the members of so much of amount as is equal to the dividend payable to the members and set off the same against the dividend payable by the Company to them.
- i) The Company may at General Meeting, in declaring dividends or bonus, direct payment of such dividend or bonus wholly or partly by the distribution of specific assets, and the Board shall give effect to the Resolution of the Meeting.
 - ii) Where any difficulty arises with regard to such distribution the Board may settle the same as it deems expedient and in particular may issue fractional certificate and fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any members on the basis of the value so fixed in order to adjust rights of all parties and vest any such specific assets in trustees as may seem expedient to the Board.
142. i) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named in the register of Members or to such person and to such address as the holder or joint holders may in writing direct.
- ii) Every cheque or warrant shall be made payable to the order of the person to whom it is sent.
 - iii) The Company shall not be responsible for the loss of any cheque, warrant or money order sent by post as aforesaid.
143. Any one of two or more joint holders of share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such shares.
144. *No unclaimed dividend shall be forfeited by the Board and* * all dividends not claimed or remaining unpaid shall be regulated in accordance with the provisions of Section 205 A and 205 B of the Act.
145. No dividend shall bear interest against the Company.

Capitalisation of Profits and Reserves

146. 1. The Company in General Meeting may upon the recommendation of the Board resolve:

* Inserted vide Resolution No.2 dt.21-2-1991 passed by Shareholders at the Extraordinary General Meeting of the Company.

- a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
 - b) that such be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
2. The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (3) hereof either in or towards:
- i) paying up any amounts for the time being unpaid on any shares held by such members respectively:
 - ii) paying-up in full, un-issued shares of the Company to be allotted and distributed, credited as fully paid-up to and amongst such members in the proportions aforesaid; or
 - iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
3. A share premium account and a capital redemption reserve account may for purposes of this Article only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
147. 1. The Board shall give effect to the resolution of the Company in pursuance of the preceding Article.
2. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- a) make all appropriations and application of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and
 - b) generally do all acts and things required to give effect thereto.
3. The Board shall have full powers:
- a) to make such provision by the issue of fractional certificates or by payment in cash or otherwise, as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and also
 - b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation or as the case may require for the payment by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares,
 - c) Any agreement made under such authority shall be effective and binding on all such members.

Accounts

148. 1. The Board shall cause proper books of accounts with respect to the following to be kept at the Registered Office of the Company or at such other place as the Board considers necessary:
- a) all sums of money received and expended by the Company and the matter in respect of which the receipt and expenditure take place;

- b) all sales and purchases of goods by the Company; and the assets and liabilities of the Company.
2. The books of account shall be open for inspection by any Director during business hours.
149. At every Annual General Meeting of the Company held pursuant to Article 68 the Board of Directors shall lay before the Company a Balance Sheet as at the end of the period specified in Section 210 of the Act and a Profit & Loss Account for that period.
- The Balance Sheet shall be in the form set out in Part I of Schedule VI or as near thereto as circumstances admit; and the Profit & Loss Account shall comply with the requirements of Part II of Schedule VI of the Act.
150. The documents, as required under Section 212 of the Act, in respect of subsidiary Companies (if and when so required) shall be attached to the Balance Sheet of the Company.
- The Profit & Loss Account shall be annexed to the Balance Sheet and the Auditors' Report shall be attached thereto.
- The Board's Report in regard to the matters specified under Section 217 of the Act shall be attached to the Balance Sheet laid before the Company in Annual General Meeting.
151. Every Balance Sheet and Profit & Loss Account shall be signed on behalf of the Board (after due approval by the Board) by the Secretary, if any and by not less than two Directors, one of whom shall be a managing Director, if there is one.
- When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit and Loss Account shall be signed by such Director and shall be attached thereto a statement explaining the reason for non-compliance with the provision aforesaid.
152. Subject to the provisions of Section 220 of the Act, three copies of the Balance Sheet and Profit & Loss Account shall be filed with the Registrar of Companies.
153. 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 of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

Notice

154. 1. A notice or document may be served by the Company on any members thereof either personally or by sending it by post to him to his registered address or if he has no registered address in India, to the address if any within India supplied by him to the Company for the giving of notices to him.
2. Where a notice or document is sent by post:
- a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the notice or document shall not be deemed to be effected unless it is sent to the manner intimated by the member; and

- b) such services shall be deemed to have been effected:
- i) in the case of notice of a meeting at the expiration of forty eight hours after the letter containing the same is posted, and
 - ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
3. A notice or document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address within India for the giving of notices to him.
4. A notice or document may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the register in respect of the share.
5. A notice or document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by name or by the title of representatives of the deceased or assignees of the insolvent, or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.
6. The signature to any notice of the Company may be written or printed.
155. All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attend on any part of business which concerns him as Auditor.

Authentication of Documents

156. Save as otherwise expressly provided in the Act or these Articles a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director or Secretary or an authorised Officer of the Company and need not be under its Seal.

Audit

157. The Appointment of Auditors and fixation of their remuneration shall be regulated in accordance with the provisions of the Act applicable to the Company from time to time.

Winding Up

158. i) If the Company shall be wound up, the liquidator may, with the sanction of a special Resolution of the Company and any other sanction required by the Act, divide among the members in specie or kind, the whole or any part of the Assets of the Company whether they shall consist of property of the same kind or not.
- ii) For the purpose aforesaid the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such divisions shall be carried out as between the members or different classes of members.
- iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories or the liquidator, which the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
159. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the

Company against any liability incurred by him in defending any proceedings, whether Civil or Criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Secrecy

160. Every Director, Manager, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall observe a strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and matters relating thereto and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the directions or by meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
161. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading of any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate.
162. No member not being a Director, Auditor, Secretary or other officer of the Company and authorised in that behalf by the Directors shall, under any circumstances, be entitled to inspect the works or any place of business of the Company or any of the books or paper of the Company without the authority in writing of the Directors, unless authorised so to do by the resolution of a General Meeting.
163. Any Director or Officer of the Company will be entitled, if he thinks fit, to decline to answer any question concerning the business of the Company which may be put to him on any occasion (including any meeting of the Company) on the ground that the answer to such question would disclose or tend to disclose the trade secrets of the Company.

Serial No.	Names, Addresses, Description and Occupation of Subscribers	Signature	Witnesses to the Signature	Address, description and occupation
1.	(Sd) M. HARISCHANDRA PRASAD Mullapudi Harischandra Prasad, S/o Late Shri Timmaraju, Old Town, TANUKU (A.P.) Industrialist			(Sd) M BULLI ABBAYI Medikonda Bulli Abbayi S/o Shri Balaramayya Secretary, The Andhra Sugars Ltd. Venkatarayapuram, TANUKU(A.P.)
2.	(Sd) B.B. RAMAIAH Bolla Bulli Ramaiah, S/o Late Shri Veera Venkanna, Venkatarayapuram, TANUKU (A.P.) Industrialist			- do -
3.	(Sd) P. NARENDRANATH CHOWDARY Pendyala Narendranath Chowdary, S/o Late Shri Sri Ramachandra Venkata Krishna Ranga Rao DOMMERU, Kovvur Tq. (A.P.) Industrialist			- do -
4.	(Sd) M. THIMMA RAJA Mullapudi Thimma Raja, S/o Shri Harischandra Prasad, Old town, TANUKU (A.P.) Industrialist			- do -
5.	(Sd) P. ATCHUTA RAMAYYA Pendyala Atchuta Ramayya, S/o Late Shri Sri Ramachandra Venkata Krishna Ranga Rao, TANUKU (A.P.) Industrialist			- do -
6.	(Sd) S.R. NAIR Sankara Radhakrishna Nair, S/o Shri N. Sankara Pillai, Manager, APIDC, HYDERABAD (A.P.) Service			- do -
7.	(Sd) D.A. SOMAYAJULU Duvvuri Annappa Somayajulu, S/o Shri D. Rama Rao, Secretary, APIDC, HYDERABAD (A.P.) Service			- do -

Dated this 10th day of April 1984 at Hyderabad.