

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

(Incorporated under the Companies Act, 1956)

**MEMORANDUM OF ASSOCIATION  
OF  
HBL POWER SYSTEMS LIMITED**

- I. The name of the Company is “HBL POWER SYSTEMS LIMITED”.
- II. The Registered Office of the company will be situated in the State of Andhra Pradesh (now Telangana State).
- III. The objects for which the Company is established are:
  - (A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:
    1. To manufacture, assemble, purchase, import, export and otherwise deal in India or abroad in all types of cells, batteries, energy storage devices, conversion and generation devices, appliances, gadgets, equipments and products, including power packs, power supplies; generators, solar panels, chargers and sub-assemblies, components, parts and accessories thereof.
    2. To manufacture, assemble, purchase, sell, import, export or otherwise deal in India or abroad in all electrical, electronic, electro mechanical and metallurgical appliances, devices and sub-assemblies, accessories, parts and components thereof.
    3. To manufacture in India or abroad products based on electrolytic, electro-thermal and electro-chemical processes, including sintered products and products based on powder metallurgy technology.
    4. To establish, provide, maintain and operate plants in India or abroad for the extraction, refining and electro-plating of metals and alloys by electrolytic processes.
    5. To acquire, develop or supply engineering services, know-how, technology, process designs, patents, equipment, plant and machinery in India or abroad for the manufacture and / or supply of all kinds of energy systems, electric or electronic devices and also under take the provision of related technical, marketing and engineering consultancy services.
    6. To buy, sell, manufacture, refine, manipulate, treat, prepare, import and export and deal in all kinds of chemical, industrial, medical, pharmaceutical and other preparations, substances, apparatus and articles, compounds, cements, oil paints, pigments and varnishes, drugs, dyes and dye-wares, plant and color grinders, spirits, alcohol and other alkaloids, synthetics and substitutes.
    7. To design, manufacture, install, erect, repair, alter, amend, improve, maintain, remove, exchange, replace, import, export, sell, purchase, license, lease, hire-purchase and to act as agent in India or in any part of the world for all types of special purpose industrial machinery, products made-up of composite materials, computer hardware, engines, equipments, components and its related accessories and services.
    8. To undertake the designing and development of systems and applications software either for its own use or for sale in India or for export outside India and to design and develop such systems and application software for or on behalf of manufacturers, owners and users of computer systems and digital/electronic equipments in India or elsewhere in the world.

9. To set up and run electronic data processing centers and to carry on the business of data processing, word processing, software consultancy, system studies, management consultancy, techno-economic feasibility studies of projects, design and development of management information systems, share/debenture issues management and /or registration and share/debenture transfer agency.
10. To carry on the business of manufacturing, producing, generating power from all or any of the available sources such as Thermal, Hydral, Gas, Wind, Co-generation, Solar Petroleum or from any other possible sources conventional or non-conventional and in particular to construct, lay, own, establish, fix and carryout all necessary powers stations, cables, wire lines, accumulators, lamps and works and other erections whatsoever as may be necessary or required for generation, accumulation of power for captive consumption or for distribution, marketing, supplying power in India or elsewhere to any of the industries, firms, electricity boards, Government or semi Government bodies, public or private companies and also for private or public purposes.
11. To act an a Export House and to carry on the business of merchants, traders manufacturer's representatives, commission agents, selling agents, brokers and to export, import, indent, buy, sell or otherwise deal in all kinds of goods, products, articles, merchandise either manufactured by the Company or otherwise.
12. To carry on business in India and elsewhere as manufacturer, assembler, designer, builder, developer, buyer, seller, exporter, importer, factors, agents, hirers, licensors and dealers of battery operated bicycles, scooters, mopeds, three wheelers, four wheelers, battery powered and electric powered automobiles, motors, electronic speed controllers, regulators, invertors, converters, electrical, mechanical and electronic devices.
13. To develop, design, manufacture, sell, install, service and maintain Railways signaling equipment of all types.
14. To develop, design, manufacture, sell, install, service and maintain Defense Electronics Equipment of all types, and to enter into Technology Licensing and Joint Venture Agreements.
15. *To import, export, design, development and manufacturing of filled fuzes and parts thereof for artillery shells, rockets, missiles, grenades, mines and similar munition of wars; design, development and manufacturing of grenades and parts thereof for both hand mode and rifle mode; design, development, assembly, manufacturing, refurbishment and upgrade of rockets, missiles and parts thereof fired from launchers from surface (land and water), air borne and underwater platforms; design, development, manufacturing of ammunition, high velocity projectiles and parts thereof fired from tanks; design, development, manufacturing of various types of explosives and explosive initiating systems and accessories as permitted by the Ministry of Defence / Government from time to time.*
16. *To import, export, establish and carry on the business on its own, through any agency, govt. or otherwise of the conversion of all kinds of engines into electric based, battery powered or alternate fuel based engines for all kinds of commercial and non-commercial vehicles and also to provide all kinds of support services / solution in the process of conversion, maintenance, infrastructure, assistance and back end services.*

**(S.No.15 and 16 have been included vide members resolution at their meeting held on 26<sup>th</sup> September 2019)**

- (B) **Matters which are necessary for furtherance of the objects specified in Clause III (A) are as under (Heading has been substituted vide members resolution at their meeting held on 26<sup>th</sup> September 2019)**

1. To manufacture, buy, sell, exchange, install, work, alter, improve, manipulate, prepare for market, import or export and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, substances, materials and things necessary or convenient for carrying on or any of the business which the company is authorised to carry on or usually dealt in by persons engaged in such business.
2. To search for and to purchase or otherwise acquire from *any* Government, State of authority, licenses, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise, and turn to account the same.
3. To enter into any contract or arrangement for the more efficient conduct of the business of the Company or any part thereof and to sub-let any contracts from time to time.
4. To subscribe for, underwrite, purchase, acquire, hold, sell and otherwise deal in shares, stock, debentures, debenture stock, bonds, mortgages, obligations and securities of *any* kind issued or guaranteed by any company (body corporate or undertaking) carrying on business similar or analogous to the business of the Company whether in India or elsewhere.
5. To form, incorporate or promote any company or companies, whether in India or elsewhere having amongst its or their objects the acquisition of all or any of the assets or control or development of the Company, or any other object or objects which in the opinion of the Company, could or might directly or indirectly assist the Company in the development of its properties or otherwise prove advantageous to the company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions for or for placing or assisting to place or to obtain subscriptions for or for guaranteeing the subscription of or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company or any stock, shares, bonds, debentures, obligations, or securities of any other company held or owned by the Company or in which the Company may have an interest, in or about the promotion or formation of any other company in which the company may have an interest.
6. To sell, let-out on hire, exchange and enfranchise, mortgage or otherwise deal with the whole or any part of the undertaking, business or property of the Company whether immovable or movable for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company and if thought fit to distribute the same among the shareholders of this Company.
7. To layout, design, develop, construct, build, erect, demolish, re-erect, repair, re-model, maintain, improve or alter any mills factories, plant, machinery, works, railways, tramways, airports, buildings, bridges, canals, wells, springs, dams, ports, reservoirs, roads, sanitary, gas, electric light, telephonic, power supply and water works, tanks, aqueducts, wells, boats, barges, launches, lorries, cars and/ or any other structural or architectural work of any kind whatsoever that may be required thereof.
8. To carry on any other business whether manufacturing or otherwise that may seem to the company capable of being conveniently carried on in connection with the Company's objects or calculated directly or indirectly to enhance the value or render profitable any of the Company's properties or rights or which it may be advisable to undertake with a view to improving, developing, rendering, valuable or turning to account any property, real or personal, belonging to the Company or in which the Company may be interested and to do all or any of the above things, either as principals, agents, trustees, contractors, or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.

9. To purchase, own, take on lease or in exchange or otherwise acquire and undertake all or any part of the business, rights, privileges, property and liabilities of, and to amalgamate or enter into partnership or into any arrangements for sharing profits, union of interest, co-operation, joint venture or reciprocal concession or otherwise with any firm or firms or person or persons or company or companies in India or abroad carrying on or engaged in or being authorised to carry on or engage in or which can be carried to on in conjunction therewith or which is capable of being so conducted as to directly or indirectly benefit the Company.
10. To employ or pay experts, foreign consultants etc., in connection with the planning and development of all business or in connection with the Company's operations.
11. To apply for, purchase or otherwise acquire and protect, prolong and renew whether in India or in any part of the world, any patents, patents rights, brevets d' Invention, trade-marks, designs, licenses, protections, concessions and the like conferring any exclusive or limited right to their use of any secret or other information as to any invention, process or privileges which may seem capable of being used for any of the purposes of the Company or acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licenses or privileges in respect of, or otherwise turn to account, the property, rights and information so acquired and to carry on any business in any way connected therewith.
12. To obtain order, or Act of Legislature in India or other places, or order, act or authority from the authorities of any country, State or Dominion for enabling the company to obtain all powers and authorities necessary or expedient to carry out or extend any of the objects of the Company, or for any other purpose which may seem expedient, and to oppose any proceedings or applications, which may seem calculated directly or indirectly to prejudice the Company's interests.
13. To enter into agreements with the Government of India or any Local or State Government in India or with the Government of any other State, country or with any authorities local or otherwise or with any other person that may seem conducive to the Company's objects or for any other purpose which may seem expedient and to obtain from them any rights, powers and privileges, Licenses, grants and concessions which the company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
14. To undertake financial and commercial obligations, transactions and operations of all kinds in connection with the business of the Company.
15. To guarantee the performance of any contract or obligations of and the payment of money borrowed secured or unsecured or of dividends and interest on any stocks, shares or securities by any company, corporation, firm or person, in any case in which such guarantee may be considered likely, directly or indirectly to further the objects of the Company or the interest of its shareholders and generally to give guarantees and indemnities.
16. To lend or advance or deposit moneys belonging to or entrusted to or at the disposal of the Company either with or without security, or give credit to such person (including Government) and upon such terms and conditions as the Directors may deem expedient, provided that the Company shall not carry on banking business as defined in Banking Companies Act, 1949.
17. To borrow, or raise money or to receive money or deposit at interest or otherwise for purposes of financing the business of the Company in such manner as the Company may think fit, and in particular by the issue of debentures or debenture-stock, perpetual or otherwise, including debentures or debenture-stock convertible into shares of this Company, or perpetual annuities or convertible preference shares and in security of any such money so borrowed, raised or

received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by assignment or otherwise or to transfer or convey the same absolutely or in trust and to purchase, redeem, or pay off any such securities, to receive grants, loans, advances or other moneys on deposit or otherwise from State or Central Government, Banks, Companies, trust or individuals with or without allowance of interest thereon. The Company shall not however carry on the business of banking within the meaning of the Banking Companies Act, 1949.

18. To invest and deal with the money's of the Company not immediately required in any securities, shares, investments, properties, movable or immovable and in such manner as may form time to time be determined and to sell, transfer or deal with the same.
19. To draw make, issue, execute, accept and to endorse, discount and negotiate all negotiable instruments including cheques, drafts, bills of exchange, letters of credit, promissory notes and other negotiable or commercial or mercantile instruments including bills of lading, delivery orders, warehouse receipts, warrants and the like, connected with the business of the Company.
20. To let, sub-let, give on lease, rent or hire any portion of the land, factory, mills, warehouses, tanks, channels, or other buildings or structures of the Company and to make such arrangements as the Company may deem fit for the holding of any property of the company in the nature of trustee or trustees of the company.
21. To establish, provide, maintain, and conduct or otherwise subsidize research laboratories and experimental workshops for scientific and technical research and experiments, to undertake and carry on scientific and technical researches, experiments and tests of all kinds, to promote studies and researches both scientific and technical, investigations, and inventions by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, meetings and conferences and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the company is authorized to carry on.
22. To provide for the welfare of employees or ex-employees of the Company and their families and dependents by building or contributing to the building of houses and dwellings or grants of money, pensions allowances, or other payments or in any other manner as may be expedient.
23. To aid, monetarily and /or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or labor problems (subject, however to the exclusion of any activities of a trade union nature) or the promotion of industry, trade or rural developments.
24. Subject to the provisions of Section 293A of the Companies Act, to subscribe or contribute money for national, charitable, benevolent, public, general or useful objects or for any exhibitions, educational seminars, conferences and thelike.
25. To advertise, publicise or promote the sale of any goods, articles or things produced, manufactured, traded or dealt with by the Company in such manner as may be deemed expedient including advertisement in press, radio or television, issue of circulars, brochures, leaflets, catalogues, price lists, or by circulation of mementos, gifts and other articles or by granting prizes, awards and grants in such manner as may be expedient.
26. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any special or other fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference

shares or for special dividends for equalizing dividends or for any other purpose whatsoever, and to transfer any such fund or part thereof to any of the other funds therein mentioned.

27. To establish, appoint, regulate and discontinue offices, branches, agents, representatives, distributors, wholesalers or retailers in all such places in India or abroad as the company from time to time determine for carrying out all or any of the company's objects and to act as agents for others.
28. To distribute among the members in specie any property of the Company or any proceeds of sale, or disposal of any property of the Company in case of winding up but so that no distribution, amounting to a reduction of capital, shall be made, except with the sanction, for the time being, required by law.
29. To agree to refer to arbitration, disputes present or future between the Company and other individual, firm or Company and to submit the same to arbitration or an arbitrator in India or abroad and either in accordance with Indian or any other foreign system of law.
30. To do all or any of the above things and all such other things as are incidental or as may be thought conducive to the attainment of the above objects or any of them in India and elsewhere either as principals, agents, trustees, contractors or otherwise and either by or through agents, contractors, trustees or otherwise and either alone or in conjunction with others.
31. To manufacture, import, export, buy, sell and deal in all raw materials and other substances used in the manufacture, production or treatment of any product or other substances, articles and things, the manufacture of which the Company is authorized to undertake and turn to account, render marketable and deal in any of the by-products of the manufacturing process which the Company may undertake.
32. To carry on the business as distributors, representatives, agents, brokers, stockiest whether sole or for a particular territory of any firm, company, Government undertaking whether Indian or foreign and to appoint distributors, stockiest, dealers, agents, brokers whether sole or for different territories of any goods and articles dealt in by the Company on such terms and conditions as the Company shall think fit.
33. To carry on the business as consulting, mechanical, chemical, electrical, structural, civil and water works engineers, and turnkey contractors in India or abroad.
34. To invest moneys of the Company in other companies, whether or not having objects altogether or in part similar to those of this company and to hold, sell or deal in such investments in such manner as deemed expedient.
35. To manufacture, refine, buy, sell, import, export and deal in all kinds of conveying and transmission machines, motors, ships, road rollers, lubricants, oils, petroleum products, gas, building materials, cement, bricks, earth, mica, lead, tin, copper, graphite, asbestos, furnishings, wares, merchandise, sanitary fittings, food products, seeds, fertilizers, chemicals, insecticides, rubber goods, tyres and tubes.
36. To engage in the business of carrier of goods, animals and passengers and to acquire vehicles of any or every sort of description for use on land or under water or in the air.
37. To establish, purchase or otherwise acquire, run, conduct, and operate a cold storage warehouse, dry storage warehouse, bonded warehouses for the preservation, storage and treatment of merchandise, machinery, food products, farm products, furniture's and all other

articles both foreign and indigenous production or manufactures.

38. To carry on in India or abroad the business of iron masters, steel makers, steel converters; to search for, prospects and explore and take on lease iron mines, iron ore, coal, lime stone, manganese, magnesite, clay, fireclay, brick, earth or any other, metals, minerals and substances.
39. To buy, sell, manufacture and to carry on the business of refining, purifying, processing, pure, ultrapure metals, alloys, intermetallic compounds, dopings and growing of single or polycrystals, organic or inorganic, semiconductors, and compounds and to carry on the business of purification and preparation of pure or ultrapure chemicals required for electronic Industry.
40. To obtain sanctions, permissions, licenses and quotas of the Government for import and export of goods, materials and articles of every description and to do all things that may be necessary to obtain recognition as an "export house".

***(S.No. erstwhile 1 to 10 of objects clause III(C) have been merged in to III(B) and renumbered as 31 to 40 vide members resolution at their meeting held on 26<sup>th</sup> September 2019)***

- VI. The liability of the members of the Company is limited.
- V. The Authorised Share Capital of the Company is Rs.31,25,00,000 (Rupees Thirty One Crores Twenty Five Lakhs only) Divided into 31,25,00,000 Equity Shares of Rs.1 /- (Rupees One Only) each. The Company shall have power to increase or reduce the share capital, to issue any shares with special rights or privileges as to voting, dividend, repayment of capital or otherwise or to subject the shares to any restrictions, limitations and conditions and to vary, modify or abrogate any such rights, privileges, restrictions or conditions. The rights of the holders of any class of shares for the time being forming part of the capital of the Company may be modified, affected, varied, extended or surrendered.

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 to our respective names.

SL. No	Names, descriptions. Occupations and Addresses of the Subscribers with their Signatures	No of Equity Shares taken by Each Subscriber	Signature with Name Description and Occupation of the Witness
1.	Sd/- A. JAGADISH PRASAD S/o. A.M.V. Prasada Row 8-2-601, Road No.10, Banjara Hifls, Hyderabad - 500 034 Occupation : Marketing	10 (Ten Only)	Sd/- K. PRAKASH MURTHY S/o. K. Sri Rama Rao 256, Road No. 18, Jubilee Hills, Hyderabad - 500 034. Occupation : Chartered Accountant
2.	Sd/- K.I. VARAPRASAD REDDY S/o. K. Vnekata Ramana Reddy 3-75/1 Jayanagar, Habshiguda , Hyderabad - 500 007 Occupation : Engineer	10 (Ten Only)	
3.	Sd/- G. ASHOK REDDY S/o.G. Krishna Reddy 256, Road No.18, Jubilee Hills, Hyderabad - 500 034 Occupation : Business	10 (Ten Only)	
4.	Sd/- A.M.V. PRASADA ROW S/o.A. Ramaiah 8-2-601, Road No.10, Banjara Hills, Hyderabad- 500 034. Occupation : Consulting Engineer	10 (Ten Only)	
5.	Sd/- A. UMA DEVI W/o. A.J. Prasad 8-2-601, Road No.10, Banjara Hills, Hyderabad - 500 034. Occupation: Business	10 (Ten Only)	
6.	Sd/- K. VASANTHA W/o. K.I. Varaprasada Reddy 3-75/1 Jayanagar, Habshiguda, Hyderabad - 500 007 Occupation: Housewife	10 (Ten Only)	
7.	Sd/- G. JAYAPRADA REDDY W/o.G. Ashok Reddy 256, Road No.18, Jubilee Hills, Hyderabad - 500 034. Occupation: Housewife	10 (Ten Only)	
	Total Shares Taken		

Place : Hyderabad

Date : 29<sup>th</sup> August, 1986



THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
(Incorporated under the Companies Act, 1956)

**ARTICLES OF ASSOCIATION  
OF  
HBL POWER SYSTEMS LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the annual general meeting of the Company held on **September 26, 2019** in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

**TABLE 'F' EXCLUDED**

1. (1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. Table 'F' not to apply
- (2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. Company to be governed by these Articles

**Interpretation**

2. (1) In these Articles —
  - (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. "Act"
  - (b) "Articles" means these articles of association of the Company or as altered from time to time. "Articles"
  - (c) "Board of Directors" or "Board", means the collective body of the directors of the Company. "Board of Directors" or "Board"
  - (d) "Company" means **HBL Power Systems Limited**. "Company"
  - (e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act. "Rules"
  - (f) "seal" means the common seal of the Company. "Seal"
- (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. "Number" and "Gender"
- (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be. Expressions in the Articles to bear the same meaning as in the Act

## Share capital and variation of rights

- Shares under control of Board 3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- Directors may allot shares otherwise than for cash 4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
- Kinds of Share Capital 5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:  
(a) Equity share capital:  
(i) with voting rights; and / or  
(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and  
(b) Preference share capital
- Issue of certificate 6. (1) 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 within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -  
(a) one certificate for all his shares without payment of any charges; or  
(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
- Certificate to bear seal (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- One certificate for shares held jointly (3) 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 a share to one of several joint holders shall be sufficient delivery to all such holders.
- Option to receive share certificate or hold shares with depository 7. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

- |         |   |   |
|---------|---|---|
| 8.      | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. | Issue of new certificate in place of one defaced, lost or destroyed                         |
| 9.      | The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.   | Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc. |
| 10. (1) | The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.  | Power to pay commission in connection with securities issued                                |
| (2)     | The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.   | Rate of commission in accordance with Rules   |
| (3)     | 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.  | Mode of payment of commission   |
| 11. (1) | If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.  | Variation of members' rights  |
| (2)     | To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply.  | Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting          |
| 12.     | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.   | Issue of further shares not to affect rights of existing members                            |
| 13.     | Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.   | Power to issue redeemable preference shares   |

Further issue of share capital 14. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -

- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
- (b) employees under any scheme of employees' stock option; or
- (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

Mode of further issue of shares (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

### **Lien**

Company's lien on shares 15. (1) The Company shall have a first and paramount lien -

- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Lien to extend to dividends, etc. (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

Waiver of lien in case of registration (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

As to enforcing lien by sale 16. The Company may sell, in such manner as the Board thinks fit, any shares 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
- (b) until the expiration of fourteen days after a notice in writing stating and 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 to the person entitled thereto by reason of his death or insolvency or otherwise.

Validity of sale 17. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

Purchaser to be registered holder (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

- |         |   |  |
|---------|---|--|
| (3)     | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.  | Validity of Company's receipt  |
| (4)     | The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.  | Purchaser not affected   |
| 18. (1) | The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.  | Application of proceeds of sale  |
| (2)     | The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.   | Payment of residual money  |
| 19.     | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. | Outsider's lien not to affect Company's lien                               |
| 20.     | The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.  | Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc. |

#### Calls on shares

- |         |  |   |
|---------|--|---|
| 21. (1) | The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. | Board may make calls                        |
| (2)     | Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.  | Notice of call                              |
| (3)     | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.   | Board may extend time for payment           |
| (4)     | A call may be revoked or postponed at the discretion of the Board.   | Revocation or postponement of call          |
| 22.     | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.   | Call to take effect from date of resolution |
| 23.     | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.  | Liability of joint holders of shares        |

When interest on call or instalment payable	24.	(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
Board may waive interest		(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
Sums deemed to be calls	25.	(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
Effect of non-payment of sums		(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Payment in anticipation of calls may carry interest	26.	The Board - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
Instalments on shares to be duly paid	27.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
Calls on shares of same class to be on uniform basis	28.	All calls shall be made on a uniform basis on all shares falling under the same class. <i>Explanation:</i> Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
Partial payment not to preclude forfeiture	29.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc.	30.	The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

### Transfer of shares

31. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. Instrument of transfer to be executed
- (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.
32. The Board may, subject to the right of appeal conferred by the Act decline to register – Board may refuse to register transfer
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.
- However, until such time, the Company remains a promoter of an entity, no person (other than the promoters / persons comprising the promoter group / persons acting in concert with the promoters and promoter group of the Company), by himself or along with persons acting in concert, shall acquire equity shares or voting rights of the Company, which taken together with equity shares or voting rights already held by him and persons acting in concert with him, would take the aggregate holding of such person and persons acting in concert with him to five percent or more of the paid-up equity share capital or total voting rights of the Company.
- Explanation: For the purposes of this Article, the terms “promoter”, “promoter group” and “persons acting in concert” shall have the meanings respectively assigned to them in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for the time being in force.*
33. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless – Board may decline to recognise instrument of transfer
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
34. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Transfer of shares when suspended
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
35. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.

## Transmission of shares

- Title to shares on death of a member 36. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- Estate of deceased member liable (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- Transmission Clause 37. (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 hereinafter provided, elect, either -  
(a) to be registered himself as holder of the share; or  
(b) to make such transfer of the share as the deceased or insolvent member could have made.
- Board's right unaffected (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 transferred the share before his death or insolvency.
- Indemnity to the Company (3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
- Right to election of holder of share 38. (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.
- Manner of testifying election (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- Limitations applicable to notice (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 or transfer were a transfer signed by that member.
- Claimant to be entitled to same advantage 39. 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, except 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 monies payable in respect of the share, until the requirements of the notice have been complied with.
- Provisions as to transmission of debentures, etc. 40. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.



### Forfeiture of shares

41. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. If call or instalment not paid notice must be given
42. The notice aforesaid shall: Form of notice
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. In default of payment of shares to be forfeited
44. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. Receipt of part amount or grant of indulgence not to affect forfeiture
45. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid. Entry of forfeiture in register of members
46. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share. Effect of forfeiture
47. (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. Forfeited shares may be sold, etc.
- (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. Cancellation of forfeiture

Members still liable to pay money owing at the time of forfeiture	48. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
Member still liable to pay money owing at time of forfeiture and interest	(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
Cesser of liability	(3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
Certificate of forfeiture	49. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
Title of purchaser and transferee of forfeited shares	(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
Transferee to be registered as holder	(3) The transferee shall thereupon be registered as the holder of the share; and
Transferee not affected	(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
Validity of sales	50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
Cancellation of share certificate in respect of forfeited shares	51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.



- Reduction of capital 57. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —
- (a) its share capital; and/or
  - (b) any capital redemption reserve account; and/or
  - (c) any securities premium account; and/or
- any other reserve in the nature of share capital

### Joint Holders

- Joint-holders 58. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
- Liability of Joint-holders (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
- Death of one or more joint-holders (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
- Receipt of one sufficient (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
- Delivery of certificate and giving of notice to first named holder (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
- Vote of joint-holders (e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.
- Executors or administrators as joint holders (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
- Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc. (f) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

## Capitalisation of profits

59. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve — Capitalisation
- (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 sum 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) below, either in or towards : Sum how applied
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
60. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall - Powers of the Board for capitalization
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power— Board's power to issue fractional certificate/coupon etc.
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities 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 profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such members. Agreement binding on members

## Buy-back of shares

- Buy-back of shares 61. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

## General meetings

- Extraordinary general meeting 62. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- Powers of Board to call extraordinary general meeting 63. The Board may, whenever it thinks fit, call an extraordinary general meeting.

## Proceedings at general meetings

- Presence of Quorum 64. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- Business confined to election of Chairperson whilst chair vacant (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- Quorum for general meeting (3) The quorum for a general meeting shall be as provided in the Act.
- Chairperson of the meetings 65. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
- Directors to elect a Chairperson 66. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- Members to elect a Chairperson 67. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.
- Casting vote of Chairperson at general meeting 68. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
- Minutes of proceedings of meetings and resolutions passed by postal ballot 69. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

- |   |  |
|---|--|
| <p>(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -</p> <p>(a) is, or could reasonably be regarded, as defamatory of any person; or</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p> <p>(c) is detrimental to the interests of the Company.</p> <p>(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.</p> <p>(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.</p>  | <p>Certain matters not to be included in Minutes</p> <p>Discretion of Chairperson in relation to Minutes</p> <p>Minutes to be evidence</p> |
| <p>70. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a) be kept at the registered office of the Company; and</p> <p>(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.</p> <p>(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:</p> <p>Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.</p> | <p>Inspection of minute books of general meeting</p> <p>Members may obtain copy of minutes</p>   |
| <p>71. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.</p>  | <p>Powers to arrange security at meetings</p>  |

#### **Adjournment of meeting**

- |  |  |
|--|--|
| <p>72. (1) The Chairperson may, <i>suo motu</i>, adjourn the meeting from time to time and from place to place.</p> <p>(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> | <p>Chairperson may adjourn the meeting</p> <p>Business at adjourned meeting</p> <p>Notice of adjourned meeting</p> <p>Notice of adjourned meeting not required</p> |
|--|--|

## Voting rights

Entitlement to vote on show of hands and on poll	73.	Subject to any rights or restrictions for the time being attached to any class or classes of shares - (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
Voting through electronic means	74.	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
Vote of joint-holders	75. (1)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
Seniority of names	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
How members <i>non compos mentis</i> and minor may vote	76.	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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
Votes in respect of shares of deceased or insolvent members, etc.	77.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
Business may proceed pending poll	78.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
Restriction on voting rights	79.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
Restriction on exercise of voting rights in other cases to be void	80.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
Equal rights of members	81.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.



## Proxy

82. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. Member may vote in person or otherwise
- (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. Proxies when to be deposited
83. An instrument appointing a proxy shall be in the form as prescribed in the Rules. Form of proxy
84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Proxy to be valid notwithstanding death of the principal
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## Board of Directors

85. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 14 (fourteen). Board of Directors
86. (1) The Following are the first Directors First Directors
- a. Dr. Jagadish Prasad Aluru  
b. Sri K.I.Varaprasad Reddy  
c. Sri G. Ashok Reddy
- (2) Dr. Jagadish Prasad Aluru shall be a director not liable to retire by rotation. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. Directors not liable to retire by rotation
- (3) Dr. Jagadish Prasad Aluru may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company subject to compliance with the provisions of the Act and rules made thereunder. Same individual may be Chairperson and Managing Director/ Chief Executive Officer
87. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. Remuneration of directors
- (2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. Remuneration to require members' consent

Travelling and other expenses	<p>(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or</p> <p>(b) in connection with the business of the Company.</p>
Execution of negotiable instruments	<p>88. All cheques, promissory notes, drafts, <i>hundis</i>, bills of exchange and other negotiable instruments, and all receipts for monies 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 shall from time to time by resolution determine.</p>
Appointment of additional directors	<p>89. (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p>
Duration of office of additional director	<p>(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>
Appointment of alternate director	<p>90. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p>
Duration of office of alternate director	<p>(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.</p>
Re-appointment provisions applicable to Original Director	<p>(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.</p>
Appointment of director to fill a casual vacancy	<p>91. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</p>
Duration of office of Director appointed to fill casual vacancy	<p>(2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.</p>

### **Powers of Board**

92. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
- General powers of the Company vested in Board

### **Proceedings of the Board**

93. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. When meeting to be convened
- (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. Who may summon Board meeting
- (3) The quorum for a Board meeting shall be as provided in the Act. Quorum for Board meetings
- (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. Participation at Board meetings
94. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. Questions at Board meeting how decided
- (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. Casting vote of Chairperson at Board meeting
95. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. Directors not to act when number falls below minimum
96. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. Who to preside at meetings of the Board
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting. Directors to elect a Chairperson

Delegation of powers	97. (1)	The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
Committee to conform to Board regulations	(2)	Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
Participation at Committee meetings	(3)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
Chairperson of Committee	98. (1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
Who to preside at meetings of Committee	(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
Committee to meet	99. (1)	A Committee may meet and adjourn as it thinks fit.
Questions at Committee meeting how decided	(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
Casting vote of Chairperson at Committee meeting	(3)	In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
Acts of Board or Committee valid notwithstanding defect of appointment	100.	All acts done in any meeting of the Board 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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
Passing of resolution by circulation	101.	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

**Chief Executive Officer, Manager, Company Secretary  
and Chief Financial Officer**

102. (a) Subject to the provisions of the Act,—
- Chief Executive Officer, etc.
- A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- Director may be chief executive officer, etc.

**Registers**

103. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
- Statutory registers
104. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- Foreign register
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

**The Seal**

105. (1) The Board shall provide for the safe custody of the seal.
- The seal, its custody and use
- (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.
- Affixation of seal

## Dividends and Reserve

- |   |          |   |
|---|----------|---|
| Company in general meeting may declare dividends  | 106.     | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.  |
| Interim dividends   | 107.     | Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.   |
| Dividends only to be paid out of profits  | 108. (1) | The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting 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 investments (other than shares of the Company) as the Board may, from time to time, think fit. |
| Carry forward of profits  | (2)      | The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.  |
| Division of profits   | 109. (1) | Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.   |
| Payments in advance   | (2)      | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.   |
| Dividends to be apportioned   | (3)      | 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.  |
| No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom | 110. (1) | 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.  |
| Retention of dividends  | (2)      | The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.   |

- |          |   |                                  |
|----------|---|----------------------------------|
| 111. (1) | Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or 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 on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. | Dividend how remitted            |
| (2)      | Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.   | Instrument of payment            |
| (3)      | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.   | Discharge to Company             |
| 112.     | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.  | Receipt of one holder sufficient |
| 113.     | No dividend shall bear interest against the Company.  | No interest on dividends         |
| 114.     | The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.   | Waiver of dividends              |

#### **Accounts**

- |          |  |                                      |
|----------|--|--------------------------------------|
| 115. (1) | The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.  | Inspection by Directors              |
| (2)      | No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board. | Restriction on inspection by members |

#### **Winding up**

- |      |  |                       |
|------|--|-----------------------|
| 116. | Subject to the applicable provisions of the Act and the Rules made thereunder –<br>(a) 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 amongst 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. | Winding up of Company |
|------|--|-----------------------|

- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Indemnity and Insurance**

- Directors and officers right to indemnity 117 (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified 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 discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- Insurance (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

#### **General Power**

- General power 118. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.



119. Notwithstanding anything contained in the Articles, as long as any of the Private Investor(s) Securities are outstanding the provisions of this Article 119 shall have precedence over other clauses of the Articles.

**A. Definitions**

In this Article 119 unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Affiliate” means

- (a) in relation to any person, any entity, directly or indirectly, Controlling or Controlled by that person.
- (b) in relation to any Party, that is a natural person, shall mean such Party’s spouse, children, and parents (“First Degree Family Member”), and any trust or company owned and Controlled by such Party or ‘First Degree Family Member’, and
- (c) in relation to Private Investor(s), shall mean any pooled investment fund(s), investment company and/or investing entity which is/are hereafter be under the common Control of or Controlled significantly sponsored or managed (provided not significantly sponsored or managed by any entity other than Private Investor(s)) by the Private Investor(s), provided that the Affiliate shall not be a Competitor under the terms hereof;

“Agreement” means any subscription agreement inter-alios between the Company, its holding Company, subsidiaries and the Private Investor inter-alia for issuance of equity shares and convertible securities to the Private Investor.

“Beaver” means Beaver Engineering and Holdings Limited,

“BSE” means the Bombay Stock Exchange;

“Business Day” means a day, other than a Saturday, a Sunday or a public holiday, on which banks are open for business in Hyderabad, Mumbai and the place of incorporation of the Private Investor for effecting transfer of payments through the Real Time Gross Settlement System operated by or on behalf of the RBI or any other payment system;

“Business Plan” means the plan prepared by the Company at the beginning of each year setting out a brief outline of the manner of conduct of business, the policies and annual targets of the Company including an annual budget and which has been subsequently presented and discussed by the Board of the Company

“Competitor” means Persons which are engaged directly or through its Affiliates in the business of manufacturing industrial batteries;

“Constitutional Documents” means the Memorandum of Association and the Articles of Association;

“Control” shall mean, as applied to any person, the power to direct the management and policies of such person by ownership of voting capital, contract or otherwise. There will be a presumption of Control when a person has:

- (a) direct or indirect legal or beneficial ownership of more than fifty percent (50%) of the voting securities of such other person, or
- (b) the power to elect majority of the directors on the board of directors of such other person;

The terms “Controlling” and “Controlled” shall be construed accordingly. It is clarified for the avoidance of doubt that any affirmative voting rights provided to any third party shall not constitute exercise of Control by such third party, for the purposes of the foregoing;

“Covenanter’s” shall mean Beaver and the Promoters;

“Deed of Adherence” means a deed in such form as may be appended to the Agreement

“Fully Diluted Basis” means any computation of the shareholding of the Company taking into account the Shares and/or Share Equivalents (if applicable on an as-if converted or exercised basis);

“Private Investor or investor(s)” means a private investor in Beaver as per the provisions of the Agreement.

“Private Investor(s) Director” means nominee of Private Investor(s), elected to the Board as a non-retiring director;

“Private Investor(s) Securities” means Share and/or Share equivalents held by the Private Investor(s) in the Company in accordance with the terms of the Agreement;

“Memorandum of Association” means the memorandum of association of the Company and shall include all modification to the memorandum of association as made from time to time;

“Promoters” means Beaver, Dr. A J Prasad, Ms. Kavita Prasad and Mr. M S S Srinath.

“Representatives” means, as to any person, its accountants, counsel, consultants (including actuarial and industry consultants), officers, directors, employees, agents and other advisors and representatives;

“Reserved Matters” means those items in relation to the Company as enumerated in Article 119 [F] which would require the affirmative vote of Private Investor(s) Director or the Representatives of Private Investor(s), as the case may be;

“Shares” shall mean and include all shares forming part of the share capital of the Company;

“Share Equivalents” shall mean as regards the Company, the following:

- (a) any options and warrants (including options issuable under any employee stock option plans) to purchase and/or allot equity shares and/or preference shares issuable under any outstanding commitments, contingent or otherwise, such as convertible securities, options and/or warrants (including employee stock option plans),
- (b) any other shares whether equity or otherwise issuable under any outstanding commitments, contingent or otherwise, such as convertible securities, options and/ or warrants, and
- (c) all other instruments, agreements or arrangements entitling or enabling the allottee or holder thereof to acquire and/or exercise, whether directly or indirectly, beneficial interest, and/or
- (d) voting rights in the Company or otherwise having the characteristics

(including ranking or voting arrangements) of shares of any class or kind or without any rights or with differential rights;

- (e) “Shareholder/s” means any person in whose name any Shares are registered in the Register of Members maintained by the Company;

“Transaction Documents” shall have the same meaning as assigned to it in the Agreement;

“Transfer” means the sale, transfer and assignment or disposal in any other manner of the legal, beneficial ownership and economic benefits of the Share and/or Share Equivalents of the Company;

**B. Interpretations:**

- (a) In addition to terms defined in Article 119A, certain other terms are defined elsewhere in Article 119 and Article 2 and whenever such terms are used in this Article 119 they shall have their respective defined meanings.
- (b) In this Articles, unless the context otherwise requires:
- (i) Unless otherwise specified, whenever any payment is to be made or action taken under this Article 119 is required to be made or action taken on a day which day is not a Business Day, such payment shall be made or action taken on the immediately following Business Day.
  - (ii) All references in this Article to clauses and sub-clauses shall be construed as references respectively to the clauses and sub-clauses of this Article.
  - (iii) The terms herein, hereof, hereto, hereunder, and words of similar purport refer to this Article as a whole.
  - (iv) The terms herein, hereof, hereto, hereunder, and words of similar purport refer to this Article as a whole.
  - (v) References to the Agreement and/or the Transaction Documents shall be deemed to include references to the Agreement, the Transaction Documents and such agreement, deed or document as varied, amended, modified, novated, supplemented or replaced by any other documents, deeds, instruments or agreements from time to time.

Reference to person shall include a natural person, company, partnership, trust, joint venture, association, corporation, an unincorporated organization or other entity or organization, including any government authority or agency and any other legal entity.

**C. Transfer/assignment of shares and share equivalents:**

- (i) The rights, benefits and obligations of the Private investor(s) under this Article 119C are by virtue of holding the Private Investor(s) Securities in accordance with the terms hereof. Private Investor(s) shall be entitled to Transfer Private Investor(s) Securities along as provided in the Article 119C(ii) below,
- (ii) If Private Investor(s) hold(s) any Share and/or Share Equivalents in the Company pursuant to provisions of the Agreement, Private Investor(s) shall continue to have rights under Article 119D (Tag Along Rights), Article 119E (Directors) and any other right of the Private Investor as may be specified in the Agreement in relation to any Share and/or Share Equivalent held by Private Investor(s) in the Company.

It is clarified for the avoidance of doubt that, save and except as set forth in the foregoing, all the other rights of Private Investor(s) under the terms hereof and under the Transaction Document, shall cease to apply as applicable in relation to the Shares and/or the Share Equivalents held by Private Investor(s) in the Company. For avoidance of any doubt nothing in this Article 119C shall be construed as termination of any rights and benefits of Private Investor(s) in relation to Private Investor(s) Securities held by Private Investor(s) in the Company.

- (iii) The Covenantors shall co-operate with Private Investor(s) and the Company in order to achieve a successful Transfer of any of Private Investor(s) Securities in accordance with this Article 119C and Article 119E.

#### **D. Tag along rights**

- (i) In the event Private Investor(s) hold(s) Private Investor(s) Securities in the Company and the Promoters, and/or Beaver, and /or their Affiliates (“Transferring Covenantors”) propose to transfer more than aggregate 5% of Share and/or Share Equivalents in one calendar year held in the Company, then the provisions of Article 119D(ii) to 119D(vi) below would apply to such transfer by Transferring Covenantors.
- (ii) Subject to the terms of the Agreement, in the event any of the Transferring Covenantors proposes to transfer any of Share and/or Share Equivalents of the Company (“Proposed Transfer”) held by such Transferring Covenantors (“Offered Shares”) to a third party (the “Purchaser”), the Transferring Covenantors shall within 5 (five) Business Days of making the proposal (as mentioned above) serve upon Private Investor(s) a notice in writing (the “Tag Along Notice”), stipulating the terms and conditions of the proposed transfer including (i) the price per Offered Share; (ii) the number of Offered Shares proposed to be transferred; (iii) the Private Investor(s) Tag Shares (as defined hereinafter) (iv) the name, address and identity of the Purchaser; and (v) other material terms and conditions of the proposed transfer to enable Private Investor(s) to determine whether or not to transfer the Private Investor(s) Tag Shares to such Purchaser. The Transferring Covenantors would also furnish an undertaking that apart from the price per Offered Share, there is no other consideration of whatsoever nature received by the Transferring Covenantors from the Purchaser or any other Person for the Transfer. The provisions of this Article shall not apply to sale or Transfer of any Liquidity Shares (as may be defined in the Agreement) by the Transferring Covenantors. For the purpose of this Article, the Private Investor(s) Tag Shares shall mean (i) such number of Private Investor(s) Securities as determined pro rata to the Offered Shares; or (ii) the entire Private Investor(s) Securities held by Private Investor(s) in the event the Proposed Transfer shall result in the change in Control of the Company (“Private Investor(s) Tag Shares”).
- (iii) Within a period of 5 (five) Business Days of the receipt of the Tag Along Notice (“Tag Notice Period”), Private Investor(s) shall have the right, but not the obligation, to sell, the Private Investor(s) Tag Shares, on the same price and terms and conditions as set out in the Tag Along Notice (“Tag Along Right”) by delivering a written notice specifying the number of Private Investor(s) Tag Shares which Private Investor(s) wishes to Transfer (“Tag Along Acceptance Notice”). It is also clarified that the Promoters will be required to complete such transfer of Share and/or Share Equivalents within 5 (five) Business Days of receipt of the Tag Along Acceptance Notice, failing which the Promoter will need to seek fresh consent for transfer of their Shares and/or Share Equivalents from Private Investor(s).
- (iv) The Promoters agree that if Private Investor(s) exercises the Tag Along Right, the Private Investor(s) Tag Shares in respect of which Private Investor(s) exercises

the Tag Along Right will be Transferred to the Purchaser in priority to the Shares and/or Share Equivalents to be transferred by the Promoters.

- (v) In the event Private Investor(s) declines the Tag Along Right in writing, the Promoters shall be entitled to complete the transfer to the Purchaser within 5 (five) Business Days of the written intimation of Private Investor(s) decision to decline the Tag Along Right, on the terms and conditions which are not more favourable than those set out in the Tag Along Notice, failing which they will have to comply in full with the provisions of this Article 119D.
- (vi) In the event the Transferring Covenantors transfer any Shares and/or Share Equivalents to any Purchaser pursuant to the provisions of this Article 119D, the Transferring Covenantors shall deliver to Private Investor(s) a copy of Deed of Adherence executed by such Purchaser.

#### **E. Directors**

##### **(i) Composition of the Board**

Private Investor(s) is / are entitled to appoint pursuant to the terms of the Agreement:

- (a) 1 (one) permanent non-retiring Director as the Private Investor(s). The Director so appointed shall also be appointed as a member of all the committees and sub-committees formed by the Board.
  - (b) 1 (one) non-voting observer (the "Observer") each on the Board and on all the committees and sub-committees of the Board where the Private Investor(s) is eligible to be appointed. The Observer shall be entitled to attend all the meetings of the Board, any such committee or sub-committee of the Board, but will not vote on any item put to vote thereat but can put forth his suggestion and views.
- (ii) Private Investor(s) Director shall be non-executive and non-retiring Directors (not liable to retire by rotation) and shall not be responsible for the day-to-day management of the Company. The Company shall, where the applicable Law permits ensure that the Private Investor(s) Director are not included within the scope of "officer who is in default" under applicable Law.
- (iii) The voting and quorum requirements for committees and/or sub committees of the Board shall be the same as for the meetings of the Board (as detailed below) without effecting the compliance with statutory law, rules and regulations made thereunder as may be applicable.
- (iv) Appointments:
- (a) All appointments and/or nominations made by the Private Investor(s) to appoint the Private Investor(s) Director shall be in writing to the Company, signed by or on behalf of the Private Investor(s) and served on the Company at its registered office and shall take effect as on the date they are appointed by the Board. The Company shall forthwith either (i) convene a meeting of the Board; or (ii) pass a Board resolution by way of circular resolution, in each case, to approve such appointment forthwith.
  - (b) The right of nomination and appointment of the Private Investor(s) Director shall include the right at any time to remove from office any such person nominated by the Private Investor(s) (without any approval or ratification of the Board) and also replace the Private Investor(s) Director appointed by it with suitable nominees. The Covenantors shall exercise their voting rights in favour of the election of the Private Investor(s) Director so nominated by the Private Investor(s).
  - (c) The Board shall not have a right to fill in any casual vacancy caused in the office

of Private Investor(s) Director, by reason of his/her resignation, death, removal or otherwise but shall appoint such nominee as is recommended by the Private Investor(s), which appointment shall be made in the manner stated in Article 119E(iv) (a) above.

(d) Private Investor(s) agrees and undertakes to ensure that none of the Private Investor(s) Director and/or Observer during the term of the Agreement and prior to the expiry of 1(one) year from date of termination of the Agreement are appointed as Director on the Board of the any Competitor.

(v) Notice for Board Meetings

(a) At least 14 (fourteen) days written notice shall be given to each of the Directors of any meeting of the Board. A meeting of the Board may be convened at a shorter notice with the prior written consent of the Private Investor(s) Director.

(b) Such written notice shall be given at the usual postal address of each of the Directors in India and in case the Directors do not ordinarily reside in India or are currently out of India, the same shall be given at such address as notified by the concerned Directors as a valid address (whether in India or outside India) for the service of any notice for the time being.

(c) The notice of each meeting of the Board shall:

- (i) include an agenda setting out the business proposed to be transacted at such meeting of the Board;
- (ii) specify any items, decisions or resolutions required concerning any Reserved Matter and provide full information and details relating to such Reserved Matter;
- (iii) be accompanied with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled before the Board; and
- (iv) be sent by courier or facsimile transmission or email (followed by a physical notice). Provided however the notice will be deemed to have received on the date of receipt of the e-mail.

(d) Further, unless with the consent of the Private investor(s) Director, any item being Reserved Matter and not included in the agenda of a meeting shall not be discussed or considered or voted upon at that meeting of the Board.

(vi) Quorum

(a) The quorum for a meeting of the Board shall be 1/3rd (one third) of the Directors, but in the event at any meeting if any Reserved Matter is to be voted on at such meeting, the quorum shall include presence of the Private Investor(s) Director and any one Director nominated by the Promoters, which shall be essential at the beginning and throughout the meeting for the purposes of constituting quorum.

(b) If within half an hour of the time appointed for the meeting, a quorum is not present, the meeting shall automatically stand adjourned until the same day in the next week (or such earlier date as may be mutually agreed between the Directors) at the same time and place. If at the adjourned meeting ("Adjourned Meeting") also a quorum is not present, within half an hour, but the number of Directors present are sufficient to constitute a valid quorum under the relevant applicable Law, then the Directors present shall be deemed to constitute a valid quorum. If any of the Private Investor(s) Director is still not present at such Adjourned Meeting, the Directors then present shall

constitute valid quorum and the Board may resolve on the Reserved Matters, except where the Private Investor(s) Director has, at least one day prior to the date of the Adjourned Meeting, conveyed in writing to the Company its disagreement in relation to the Reserved Matter.

- (c) The Private Investor(s) Director expressly reserve the right to defer the discussion on the Reserved Matter in a Board meeting where any Reserved Matter is to be resolved upon, in case of inconvenience or exigencies. In such a case, the Reserved Matter shall be discussed in a Board meeting reconvened at the same place and time 7 (seven) Business Days later, or at such time as may be agreed to by the majority of the Directors, including the Private Investor(s) Director, with the same agenda. If any of the Private Investor(s) Director is not present at such reconvened meeting, the Directors then present shall constitute valid quorum and the Board may resolve on the Reserved Matters, except where the Private Investor(s) Director has, at least one day prior to the date of the reconvened meeting, conveyed in writing to the Company its disagreement in relation to the Reserved Matter.

(vii) Meetings of the Board

The Board shall meet at least once in every calendar quarter at the registered office of the Company or such other place as may be unanimously agreed by all the Directors of the Board.

(viii) Minutes

The parties to the Agreement agree that they will record minutes of the proceedings of every meeting of the Board. The minutes of each meeting shall contain a fair and accurate summary of the proceedings thereat and shall be circulated to each Director for their respective comments and shall be finalized in accordance with applicable Law. If a Reserved Matter is discussed the minutes of such a meeting will be discussed within 1(one) week.

(ix) Directors' and Officers' Liability Insurance

The Company shall obtain directors' and officers' liability insurance for the Private investor(s) Director or the Alternate Director, within 60 (sixty) Business Days of the appointment of the Private Investor(s) Director or the Alternate Private Investor(s) Director, on such terms that are mutually agreed between Private Investor(s) and the Promoters, it being understood that the Company shall bear all costs in relation to the same.

(x) Expenses

Subject to applicable Law, the Company will pay all actual and reasonable out-of-pocket expenses associated with the Board meetings (including travel, boarding and lodging expenses) incurred by Private Investor(s) Director, the Alternate Director and any other expenses incurred by them in the course of fulfilling their duties and obligations as Directors of the Company.

(xi) Indemnity

Subject to applicable Laws, in the event Private Investor suffer any liability, damage, action, claim, cost, charge or expense, by virtue of any act or abstinence of the Private Investor in the course of performing its duties as a Director of the Company, other than on account of their willful misconduct or gross negligence, the Company agrees to indemnify such Director, over and above the amounts receivable from the insurance policies against such liability, damage, action, claim, cost, charge or expense (including, without limitation, actual legal fees, experts'

fees, consultants' fees on an indemnity basis and all costs and expenses incurred in the recovery of the amounts payable under this undertaking).

(xii) Decisions of the Board

- (a) Notwithstanding anything contained in this Article but subject to the provisions of Article 119E (v) and 119E (vi) (c) hereof, no decision in respect of any of the items listed in the Reserved Matters shall be valid, unless the Private Investor(s) Director has voted in favour of such decision or consents in writing to the same.
- (b) Subject to applicable Law, a resolution by circulation shall be as valid and effectual as a resolution duly passed at a Board meeting called and held, provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors whether in India or abroad for a minimum period of 7 (seven) Business Days and has been approved by a majority of the Directors entitled to vote thereon; provided that if it relates to a Reserved Matter, affirmative vote of the Private Investor(s) Director should have been obtained. Notice may be waived or the resolution passed by circulating for a shorter period with the consent of the majority of the Directors, including the consent of either of the Private Investor(s) Director.
- (c) All the Reserved Matters shall be resolved and approved by the Board (including the affirmative vote of the Private Investor(s) Director) prior to being presented to the Shareholders for approval. Private Investor(s) further agree and undertake that in the event any matter which is a Reserved Matter is also required to be approved in the General Meeting by the members of the Company as per the applicable Law, and any Private Investor(s) Director has voted in favour of any such matter constituting to be a Reserved Matter item at the Board meeting, Private Investor(s) shall not in the Shareholders meeting disapprove or cast in a negative vote in respect of such matter being a Reserved Matter item being taken up for vote in any General Meeting.

**F. Reserved matters**

The Company shall not undertake the following without the approval of the Private Investor(s) Director:

- I. Amendment, restatement, modification or supplement to the Constitutional Documents of the Company.
- II. Alteration of the capital structure including but not limited to change of the authorised share capital, issuance, allotment, buy-back or redemption of the Shares and/or Share Equivalents of the Company except (i) for the purposes of giving effect to the provisions of the Agreement or the Transaction Documents (ii) existing Employee Stock Options and (iii) investment by the New Investor.
- III. Changing the nature of business of the Company from its current business or commencing any new unrelated business operation by the Company.
- IV. Any material change in the accounting or tax policies or accounting reference period and/or financial year other than as required by applicable Law.
- V. Any decision/ action to be taken by committee or sub-committee of the Board of the Company which is in relation to a Reserved Matter.
- VI. Altering or varying the rights of Shares and/or Share Equivalents of the Company.
- VII. Disposal or closure of whole or any substantial part of any undertaking of the Company or sale or transfer of the whole or any substantially the whole of the assets of the Company.
- VIII. Appointment of auditors of the Company including statutory auditor/s and adoption of annual audited accounts of the Company.
- IX. Incur any Financial Indebtedness which is in excess of Rs 5,00,00,000/- (Indian Rupees Five crores only) beyond the Business Plan.



- X. Incurrence of any capital expenditure beyond agreed limits.
- XI. Creation or adoption of any equity option plan, employee stock option, employee stock purchase plan, or similar plans in relation to the employees and management of the Company ("Employee Plans"), and any amendments, modifications or substitutions of such Employee Plans and issuance or distribution of the Shares and/or Share Equivalents pursuant to such Employee Plans.
- XII. Any rematerialisation of any Shares and/or Share Equivalents.
- XIII. Related party transactions between the Covenantors and the Company, provided the value of such related party transaction is more than Rs 1,00,00,000/- (Indian Rupees One Crore only); save for transactions within specifically approved quarterly or annual limits.
- XIV. Any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.
- XV. Change in registered office of the Company.
- XVI. Any alteration or amendment of the terms and conditions of the Private investor(s) Securities (including any action that would result in a dilution of the respective shareholding of Private investor(s) (computed on an as-if-converted-basis).

#### **G. General meetings**

##### **(i) Notice**

- (a) Not less than 21 (twenty one) days written notice of every general meeting of the Company shall be given to all Shareholders and Private Investor whether in India or outside India. A shorter notice may be given to the Shareholders to hold an extra-ordinary general meeting, subject to consent being accorded by Private Investor.
- (b) Every notice convening a general meeting shall set out the agenda of the business to be transacted thereat.

##### **(ii) Authorised Representatives**

Beaver shall have the right to nominate a representative(s) in any general meeting of the Company provided such a representative/s shall vote on any matters in the general meeting of the shareholders of the Company in accordance with the instructions of board of directors of Beaver.

#### **H. Governing law, dispute resolution and jurisdiction**

- (i) Governing Law: These Articles shall be governed by and in accordance with the laws of India.
- (ii) Dispute Resolution

In the event of any claim, difference, dispute or controversy arising between the parties to the Agreement under this Article or out of or in connection with this Article, including without limitation, the execution, validity, enforcement, breach, performance, interpretation, implementation, alleged material breach, termination or expiration of this Article, such claim, difference, dispute or controversy shall be referred to and settled by arbitration. The arbitration shall be conducted in a manner as agreed between the Shareholders of the Company under their respective agreements.

SL. No	Names, descriptions. Occupations and Addresses of the Subscribers with their Signatures	Signature with Name Description and Occupation of the Witness
1.	<p>Sd/- A. JAGADISH PRASAD S/o. A.M.V. Prasada Row 8-2-601,Road No.10, Banjara Hifls, Hyderabad - 500 034 Occupation : Marketing</p>	
2.	<p>Sd/- K.I. VARAPRASAD REDDY S/o. K. Vnekata Ramana Reddy 3-75/1 Jayanagar, Habshiguda , Hyderabad - 500 007 Occupation : Engineer</p>	
3.	<p>Sd/- G. ASHOK REDDY S/o.G. Krishna Reddy 256, Road No.18, Jubilee Hills, Hyderabad - 500 034 Occupation : Business</p>	
4.	<p>Sd/- A.M.V. PRASADA ROW S/o.A. Ramaiah 8-2-601, Road No.10, Banjara Hills, Hyderabad- 500 034. Occupation : Consulting Engineer</p>	
5.	<p>Sd/- A. UMA DEVI W/o. A.J. Prasad 8-2-601,Road No.10, Banjara Hills, Hyderabad - 500 034. Occupation: Business</p>	<p>Sd/- K. PRAKASH MURTHY S/o. K. Sri Rama Rao 256, Road No. 18, Jubilee Hills, Hyderabad - 500 034. Occupation : Chartered Accountant</p>
6.	<p>Sd/- K. VASANTHA W/o. K.I. Varaprasada Reddy 3-75/1 Jayanagar, Habshiguda, Hyderabad - 500 007 Occupation: Housewife</p>	
7.	<p>Sd/- G. JAYAPRADA REDDY W/o.G. Ashok Reddy 256, Road No.18, Jubilee Hills, Hyderabad - 500 034. Occupation: Housewife</p>	

Place : Hyderabad

Date : 29<sup>th</sup> August, 1986