

CONTENTS

	Page No.
MEMORANDUM OF ASSOCIATION	1 to 5
ARTICLES OF ASSOCIATION	
Preliminary (Applicability of Table A)	9
Authorised Share Capital	10
Joint Holders of Shares	11
Calls on Shares	12
Transfer of Shares	13
Transmission of Shares	14
Forfeiture of Shares and Lien	15
Share Warrants	17
Alteration of Share Capital	17
Modification of Rights	19
Borrowing Powers	19
General Meetings	22
Proceedings at General Meetings	24
Votes of Members	26
Form of Proxy	27
Directors	27
Powers of Directors	28
Disqualification of Directors	30
Rotation of Directors	31
Alternate Directors	33
Managing Directors	33
Local Managers	33
Proceedings of Directors	34
Trustees	36
The Seal	37
Branch Register	37
Dividends	37
Reserve Fund	38
Accounts	38
Audit	40
Notices	40
Arbitration	41
Winding up	41

Memorandum of Association of The Singareni Collieries Company Limited

1. The name of the company is The Singareni Collieries Company Limited.
2. The Registered Office of the Company will be situated in the state of Andhra Pradesh.
3. The objects for which the Company is established are :-
 - (a) To prospect for, explore, open, raise, win, get and quarry coal, minerals, oils, metals and precious metals, diamonds and other precious stones, and other mineral substances, stones of all kinds, clay, brick, earth and slate; to develop and turn to account any mines, mineralogical or metalliferous land and quarries, clay, brick, earth and slate; to coke; to extract gas and oil, and other byproducts, crush, smelt, refine amalgamate and prepare for market the produce of any mines, quarries, clay, brick, earth and slate; to burn and prepare lime and treat in any manner which the company may think fit all mineral and quarry products whether the property of the company or not, and whether in the state of Andhra Pradesh or Indian Union or any of the states in the Indian Union, or elsewhere and to carry on any other metallurgical and mineralogical operations which may seem capable of being usefully or profitably carried on in connection with any business of the company; and to sell, dispose of, and deal in such produce, either in a manufactured state or otherwise, and any materials or substances or by-products resulting from or to be obtained in the process of coking or extracting gas oil crushing, smelting, refining, or manufacturing such produce and either free from or in combination with other substances and to acquire and use plant for the above purposes or any of them.
 - (b) To purchase, take on lease, or otherwise acquire under any tenure hold and acquire options in any mines, metalliferous or mineralogical land mining rights, prospectors' or other claims, diggers' licenses and quarries in the state of Andhra Pradesh, Indian Union and the states of Indian Union or elsewhere or in all or any of them together with the whole or part of such assets of the Proprietors of the premises so acquired used in connection with or belonging thereto or which may usefully be employed in or about the premises so taken over; and to undertake all or any of the businesses carried on in connection with such premises and to undertake and satisfy the liabilities of the proprietors of the premises so acquired and of the business or businesses carried on in connection with such premises.
 - (c) To acquire under any tenure (including leasehold tenure) and to hold land and any interest in land, whether of a mineral character or not which may be suitable for the purposes of the company, buildings, stock, chattels and effects and real and personal estate of any description in the State of Andhra Pradesh, Indian Union and the States of the Indian union and elsewhere for the purpose of opening, working and developing mines and minerals of any kind and quarries getting, smelting, coking, extracting gas and oil and other by-products manufacturing and otherwise dealing with all coal, minerals, oils, metals, precious metals, diamonds and other precious stones and other mineral products or substances, stones, clay, brick earth and slate, and to enter into any lease or leases of property which the company may desire to acquire for the purposes of its business, to pay or provide any premium as the consideration or part of the consideration for the granting of any such lease or leases and to enter into any obligation under any such lease or leases.
 - (cc) To carry on the business of establishing, developing and maintaining industrial parks, special economic zones, technology parks, software parks, industrial area and industrial estates by providing infrastructure facilities including power, water supply, tele-communication, roads, bridges, common social infrastructure and other essential facilities for their speedy development and for the purpose to acquire, sell, dispose-off, lease, hire properties and/or services of any nature and to provide consultancy and advisory services of any kind in this regard and other activities incidental or ancillary thereto including investing in other companies with similar business activities.

- (d) To pay either wholly or in part of the consideration for the acquisition of any property or rights which the company may desire to acquire by the issue to the vendors or their nominees of fully paid up or partly paid up shares in the capital of the company or the debentures or debenture stock of the company.
- (e) To acquire and take over as a going concern the business of Colliery Proprietors now carried on by the Hyderabad (Deccan) Company Limited at Singareni under lease from H. E. H. The Nizam of Hyderabad and to take over the rights of the said Hyderabad (Deccan) Co., Ltd., to lease from H.E.H. The Nizam of Hyderabad of the Coal Field at Kothagudem Penugonda both such properties being situated in the Dominions of His Exalted Highness The Nizam of Hyderabad together with the whole of the real and personal property of the said Hyderabad (Deccan) Company Limited used in such Dominions in connection with the said Colliery and Coal Field and to undertake all or any of the liabilities of the said business and with a view thereto to enter into and carry into effect with or without modifications the agreement which has already been prepared and engrossed and is expressed to be made between the Hyderabad (Deccan) Company Limited of the one part and this Company of the other part a copy of which agreement has for the purposes of identification been signed by Sir John Prescott Hewett G.C.S.I., K.B.E., the Chairman of the Hyderabad (Deccan) Company Limited and a member of the Firm of Messrs. Best and Company Limited of Madras on behalf of the Promoters of the Company.
- (f) To carry on as a Joint Stock Company Limited the business and properties so acquired by the Company to carry on in connection with the same such other businesses as may be conveniently or profitably carried on therewith or may be usefully employed or turned to account or may enhance the value of any of the Company's property.
- (g) To construct acquire execute use equip improve work develop maintain manage or control in the State of Andhra Pradesh, Indian Union and any of the States in the Indian Union and elsewhere works and conveniences of all kinds which expression includes all mining and quarrying operations, pits, wells, sidings, tramways, railways, rolling stock, roads, bridges, aqueducts, docks, harbours, piers, wharves, canals, reservoirs, and embankments mills, irrigation reclamation improvement sewage drainage sanitary water gas electric light illuminating telegraphic telephonic and heating and electric water gas and steam power supply crushing hydraulic and other works machinery furnaces lime kilns ships vessels houses factories hotels warehouses markets and other buildings and all other necessary and useful works and conveniences directly or indirectly conducive to the objects of the company and to supply to any other persons corporations companies or public bodies electric water gas and steam power water supply heating or light for such consideration as the company may think fit.
- (gg) To promote, organise or carry on the business of consultancy services/ job works/ works contracts either independently or through suitable tie-ups with other organisations both in India and abroad in any field of activity in which the company is engaged in or connected therewith as also in such other field or activities where the Company has developed expertise by virtue of its dealing in such areas and rendering consultancy and advisory services to clients and any such other services and to trade, buy, import, supply, sell coal, lignite, gases and other mineral resources
- (h) To carry on any trade or business incidental to the proper or more profitable dealing with or turning to account of the rights and property of the Company and to manufacture buy sell use or otherwise deal in property of all kinds for any of the purposes of the Company or conducive to any of the objects or for the convenience of the employees of the Company.
- (i) To sell lease let license the use of mortgages or otherwise deal with all or any part of the business property or rights of the Company for such consideration as the Company may think fit and in particular for shares debentures debenture stock or securities of any other Company.

- (j) To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
- (k) To promote or form or assist in the promotion or formation of any subsidiary allied affiliated or other Companies or Associations and whether for the purpose of acquiring all or any of the business property liabilities or rights of the Company or otherwise and to make and carry into effect arrangements with respect to amalgamation or the union of interests whether in whole or in part with any other Company or public or private undertaking carrying on any business which the Company is authorised to carry on and carry into effect any arrangements with any Railway Tramway Transport or Navigation Company and any other Company or person for improving or facilitating the carrying on of any business of the Company which it is authorised to transact and for any of such purposes to subscribe for purchase take hold distribute sell purchase or deal with any stocks or securities of any Government or the shares stocks or securities of any other Company person or undertaking.
- (l) To borrow raise and lend money and make and give guarantees and create and issue mortgages debentures debenture stock and other securities for money and with or without being charged upon, all or any property of the Company including or excluding as may be thought expedient called and uncalled capital and to carry-out the above objects and otherwise to conduct any financial transactions connected with the objects aforesaid according to the regulations of the Company from time to time existing.
- (m) To establish agencies or branches in India or elsewhere.
- (n) To draw make accept endorse discount execute and issue bills of exchange bills of lading promissory notes dock and other warrants and other instruments so as to be negotiable or transferable by delivery or to order or otherwise.
- (o) To acquire register and complete in the State of Andhra Pradesh, Indian Union and any of the States in the Indian Union and in any other Country or state patents license or protection for any process or accessory to the business which the Company is authorised to transact and to sell such patents or grant licenses for using such patents in such State, Union and in any of such Countries or States.
- (p) To pay all or any expenses incurred in connection with the formation promotion and incorporation of the Company or to contract with any person firm or Company to pay the same and to pay commissions to brokers and others for underwriting placing selling or guaranteeing the subscription of any shares debentures or securities of this Company or of any Company promoted by this Company.
- (q) To remunerate any person firm or Company rendering services to this Company and in particular any servant or employee of the Company.
- (r) To establish, provide, maintain and conduct or otherwise, subsidise, research laboratories and experimental workshops for scientific and research experiments and to undertake and carry on all scientific and technical researches, experiments and tests of all kinds and to promote studies and research both scientific and technical investigation and invention by providing, subsidising, endowing or assisting individuals, institutions, laboratories, workshops, libraries, lectures and conferences and providing remunerations of scientific or technical professors or teachers and by providing for the award of scholarships, prizes, grants and subsidies to students or otherwise and generally to encourage, promote and help studies, researches, investigations, experiments, tests and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

- (s) To enter into any arrangements with any Government or authorities, supreme, municipal, local or otherwise that may seem conducive to the interests of the Company.
- (t) To take all necessary or proper steps in any legislature (Central or Provincial) or with the authorities Government, Local, Municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations, co-operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the Company or furthering the interests of its members, and to oppose any steps taken by any person or Company which may be considered likely, directly or indirectly to prejudice the interests of the Company or its members.
- (u) To employ and pay experts, Indian and Foreign consultants and other persons in connection with prospecting and exploitation of coal and for executing the several schemes of the Company.
- (v) To enter into any arrangements with the Government of India or any local State Government in India or other persons, and to obtain any rights, powers, privileges, licences, grants and concessions, which the company may consider desirable to obtain and to carry on, exercise and complete any such arrangements, rights, privileges and concessions.
- (w) To undertake and carry on scientific, technical and economic surveys, technical researches, experiments and tests of all kinds of by providing subsidies endowing or assisting laboratories, workshops and by providing or contribution of the remuneration of scientific or technical professors, teachers and academicians and by providing or contributing to the award of scholarships, prizes, grants to students and other and generally to encourage, promote and reward studies, researches, investigations, experiments that may be considered likely to assist any business which the Company is authorised to do.
- (x) To grant annuities, pensions, allowances, gratuities and bonuses to any employees or ex-employees of the Company or dependants of any such persons, and to establish or support associations, institutions, clubs, schools, funds, schemes and trusts (religious, scientific, educational, provident or otherwise) which may be considered and calculated to benefit any such persons or otherwise/members and to establish and contribute any scheme for purchase by/advance the interests of the Company or of its trustees of shares in the Company to be held for the benefit of the Company's employees and to lend money to the Company's employees and to support or subscribe to any charitable objects and institutions and to clubs, societies or funds, other than those of any political organisations.
- (y) It is hereby declared that :
 - (a) the word 'Company' in the clauses aforesaid except, wherever used in reference to this company, shall be deemed to include any partnership or other body of persons whether corporate or unincorporate; and,
 - (b) the objects specified in each of the paragraphs shall be regarded as independent objects and shall in no way be limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs define the objects of a separate and distinct company, and

(c) to do all such other things as the Company may deem incidental or conducive to

4. The Authorised share capital of the Company is Rs.1800 crores (Rupees eighteen hundred crores only) divided into 180,00,00,000 equity shares of Rs.10/- each.

5. 0/- each.

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.

Names, addresses and descriptions of Subscribers	Number of Shares taken by each Subscriber
L. C. Croslegh, Director, Hyderabad (Deccan) Co., Ltd., Secunderabad	One
W. H. Ruddle, Chartered Accountant, Secunderabad.	One
B. Lightfoot, Geologist, Secunderabad.	One
E. H. Hunt, F. R. C. S., Secunderabad.	One
Archibald Pocock, Barrister-at-Law, Secunderabad.	One
N. A. Sprott, M.Ch., Secunderabad.	One
D. D. Richards, Accountant, Messers Best & Co., Ltd., Secunderabad.	One

Dated : the 18th day of December, 1920.

Witness to the Signature of all the above subscribers :

D. Chandler,
Stewards,
Secunderabad Club

ARTICLES OF ASSOCIATION

Articles of Association

OF

THE SINGARENI COLLIERIES CO., LTD.

PRELIMINARY

Applicability of Table A.

1. Regulations contained in Table A in the first Schedule to the Companies Act, 1956 shall apply so far and so far only as they are not inconsistent with any of the provisions contained in these Articles.

Interpretation

2. (1) In these presents, unless there be something repugnant to the subject or context.
 - (a) **"the Act"** or **"the Statute"** means the Companies Act, 1956.
 - (b) **"The Company"** means The Singareni Collieries Company Limited.
 - (c) **"the Directors"** shall mean the Directors for the time being of the Company and include a committee of the Directors duly authorised and acting by resolution passed at duly constituted meeting or by circulation and subject to any restrictions and conditions on their powers then existing.
 - (d) **"Dividend"** includes bonus.
 - (e) **"Government"** means the Government of India.
 - (f) **"Month"** means Gregorian calendar month.
 - (g) **"the Office"** means the Registered Office for the time being of the Company.
 - (h) **"the Register"** means the register of Members to be kept pursuant to Section 150 of the Act.
 - (i) **"State Government"** means the Government of Andhra Pradesh.
 - (j) **"In Writing"** or **"Written"** includes printing, lithography, cyclostyling and other modes of representing or reproducing words in a visible form.
- (2) Words in the singular shall include the plural and vice versa.
- (3) Words importing the masculine gender shall include feminine.
- (4) Words importing persons shall include Corporations.
- (5) Words or expressions contained in these articles and defined in the Act have the same meanings as stated in the Act.

Agreement to be confirmed

3. The first business of the Company shall be to acquire the business and undertaking of the Singareni Colliery and the Kothagudem Pengudpa Coal Field in the Dominions of His Exalted Highness the Nizam of Hyderabad, and for the purpose of so doing the Directors shall forthwith take into consideration and, if approved, shall enter into on behalf of the Company (either with or without modification the Agreement referred to in Clause 3, Sub-Clause (E) of the Memorandum of Association. The Company is formed on the basis that the said Agreement shall be entered into with or without modification, and no objection shall be taken to the said Agreement, nor shall any Promoter or Director be liable to account to the Company for any profit or benefit derived by him under the said Agreement by reason of any Promoters or Directors of the Company being Vendors to the Company or otherwise interested in the said Agreement, or by reason of the purchase consideration having been fixed by the Vendors without any independent valuation having been made, or of the Board of Directors not being in the circumstances an independent Board; but every Member of the Company, present and future, shall be deemed to have notice of the Provisions of the said Agreement, and to have assented to all the terms thereof.

Company not to deal in its own shares

4. No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of the Company's Shares.
5. It is not intended that there shall be any invitation to the public to subscribe for the first issue of the shares of the Company and the Company may commence business and exercise its borrowing powers as soon after the incorporation of the Company as the Directors shall think fit although the whole of its or capital shall not have been subscribed.

Commission for placing shares and debentures.

6. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares in or debentures of the Company, but so that if the commission in respect of shares shall be paid or payable out of capital, the statutory conditions and requirements shall be observed and complied with, and the amount or rate of commission shall not exceed five per cent of the price at which the shares are issued or two and a half per cent of the price at which the debentures are issued. The commission may be paid in cash or satisfied in shares or debentures of the Company. The amount or rate per cent of the commission paid or agreed to be paid, and the number of shares or debentures in respect of which commission has been paid or agreed to be paid shall be disclosed in the prospectus or statement in lieu of prospectus subject to the provision of section 76 of the Act.

AUTHORISED SHARE CAPITAL

Capital

The Authorised share capital of the Company is Rs.1800 crores (Rupees eighteen hundred crores only) divided into 180,00,00,000 equity shares of Rs.10/- each.

Allotment of Shares

8. (a) Subject to the provisions of the Agreement referred to in Article 3 hereof, the Shares shall be under the control of the Directors, who may allot and dispose of the same to such persons, on such terms, and in such manner as they think fit. Shares may be issued at par or at a premium.

(b) The certificates of title for shares in the Company and the debentures of the Company shall be issued in the manner prescribed by the Companies (Issue of share certificate) Rules 1960.

- Difference in amounts paid on Shares** 9. The Directors may make arrangements on the issue of Shares for a difference between the Holders of such Shares in the amount of Calls to be paid and in the time of payment of such Calls.
- Trusts not recognised.** 10. The Company shall be entitled to treat the person whose name appears upon the Register in respect of any Share as the absolute owner thereof, and shall not be under any obligation to recognise any trust or equity of equitable claim to or interest in such Share, whether or not it shall have express or other notice, thereof.
- Members right.** 11. (a) Every Member shall be entitled to one Certificate for the shares registered in his name, or if the directors so approve (upon paying such fee as the directors may from time to time determine) to several certificates each for one or more of such shares. Every certificate of shares shall specify the numbers denoting the shares in respect of which it is issued and the amount paid up thereon.
- Limitation of time for issue of certificate of shares and debentures.** (b) The Company shall, within three months after the allotment of any of its shares or debentures, and within two months after the application for the registration of the transfer of any such shares or debentures complete and have ready for delivery the certificates of all shares and the debentures, unless the conditions of issue of the shares or debentures otherwise provide.
- As to issue of new certificate in place of one defaced, lost or destroyed.** 12. (a) If any Certificate be worn out defaced, torn or old or decrepit, then upon production thereof the directors may order the same to be cancelled and may issue a new certificate in lieu thereof, from time to time and in the manner laid down in the Companies (Issue of share certificate) Rules, 1960.
- (b) If any certificate be lost or destroyed then no duplicate share certificate in lieu thereof, can be issued without the prior consent of the Board of Directors or without payment of such fee, if any, and on such reasonable terms if any as to evidence and indemnity and payment of actual expenses incurred by the Company in investigating evidence as the Board thinks fit and in the manner laid down in the Companies (Issue of Share Certificate) Rules, 1960.

JOINT HOLDERS OF SHARES

- Joint Holders** 13. Where two or more persons are registered as the Holders of any Share they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the provisions following :-
- Maximum number** (A) The Company shall not be bound to register more than three persons as the Holders of any Share;
- Liability several as well as joint** (B) The joint Holders of any Share shall be liable, severally, as well as jointly, in respect of all payments which ought to be made in respect of such Shares.

- Survivors of Joint Holders only recognised** (C) On the death of any one of such Joint Holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such Share; but the Directors may require such evidence of death as they may deem fit.
- Receipts** (D) Any one of such Joint Holders may give effectual receipts for any Dividend, Bonus, or return of Capital payable to such Joint Holders,
- Who entitled to Certificate, votes, & c.** (E) 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 delivery of the Certificate relating to such Share, or to receive notices from the Company, or to attend or vote at General Meetings of the Company, and any notice given to such person shall be deemed notice to all the Joint Holders; but any one of such joint Holders may be appointed the proxy of the person entitled to vote on behalf of the said Joint Holders, and, as such proxy to attend and vote at General Meetings of the Company.

CALLS ON SHARES

- Calls** 14. (a) The Directors may, from time to time, make such calls as they think fit upon the members in respect of all moneys unpaid on the Shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the Company and at the times and places appointed by the Directors. A call may be made payable by instalments, and shall be deemed to have been made when the resolution of the Directors authorising such call was passed.
- Calls to be made on uniform basis.** (b) All calls for further share capital shall be made on a uniform basis on all shares falling under the same class. Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.
- Notice to Calls.** (c) Not less than fourteen days' notice to any call shall be given specifying the time and place of payment and to whom such call shall be paid. A call may be revoked or postponed at the discretion of the Board.
- Amount payable at fixed times or by instalments payable as calls,** 15. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice had been given; and all the provisions herein contained in respect of call shall relate to such amount or instalment accordingly.
- When Interest on call or instalment payable.** 16. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the Holder for the time being of the share in respect of which the call shall have been made, or the instalment shall be due shall pay interest for same at the rate of 9 per cent per annum from the day appointed for the payment thereof to the time of the actual payment; or at such other rate as the Directors may determine. The Directors shall have power to waive the interest wholly or in part.

**Evidence in
action for Call.**

17. At the hearing of any suit for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders of the shares in respect of which such debt accrued; that the resolutions making the call is duly recorded in the minute book and that notice of such call was duly given to the member sued, in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

**Payment of
Call in advance**

18. The Directors, may, if they think fit, receive from any Member willing to advance all or any part of the moneys uncalled or unpaid upon any shares held by him; and upon the money so paid in advance the Directors may (untill the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding six per cent) without the sanction of the Company in General Meeting, as may be agreed upon between the member paying the sum in advance and the Directors.

Provided, nevertheless, that when the amount due upon the Shares is paid up in advance upon the footing that the same shall carry interest such amount so paid shall not whilst carrying interest confer a right to participate in profits.

TRANSFER OF SHARES

**Transfer not to
be registered ex-
cept on production
of instrument of
transfer.**

19. The Company shall not register a transfer of Shares in, or debentures of, the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by and on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or debentures or pucca transfer receipt or if no such certificate is in existence, along with the letter of allotment of the shares or debentures.

Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer it is proved to the satisfaction of the Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Directors may think fit.

Provided further that nothing in this article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right of any shares in or debentures of the Company has been transmitted by operation of Law.

**Form of
transfer.**

20. The instrument of transfer of any Shares or debentures shall be in writing in the form prescribed by the Act.

**In what cases
Directors may
decline to register
transfer,**

21. (a) The Directors may at their absolute and uncontrolled discretion, decline to register any transfer of shares, and shall not be bound to give any reasons for such refusal. This clause shall apply also to the case of a transferee who is already a shareholder. If the Directors decline to register the transfer of any shares, the Company shall within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal.

(b) When the transferee is not acceptable to the Directors in accordance with the provisions contained in the Articles of Association of the Company and when the President of the concerned Stock Exchange so requests, he may be taken into confidence as to the reasons for such rejection.

Transfer to be left at office and evidence of title given.

(c) Every instrument of transfer shall be left at the office of the Company for registration accompanied by the certificate of the shares to be transferred, and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall, on demand, be returned to the person depositing the same.

When transfer books and register may be closed.

(d) The Company may on giving seven days previous notice by advertisement in some newspapers circulating at the place where the registered office of the Company is situated close the register of members or the register of debenture holders for any time or times not exceeding in the whole forty five days in each year but not exceeding thirty days at a time.

TRANSMISSION OF SHARES

Transmission of registered shares as to survivorship. 22.

The executor or administrator of or the holder of a succession certificate in respect of the estate of a deceased member by whatever personal law he may be governed (not being one of several joint holders) shall be the only person recognised by the Company, as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executor or administrator or holder of succession certificate unless such executor or administrator or holder of succession certificate shall have first obtained Probate or Letters of Administration or succession certificate as the case may be from a Court of Competent Jurisdiction;

Provided that in any case where the Directors in their absolute discretion think fit, they may dispense with the production of Probate or Letters of Administration or Succession Certificate under the next article, and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased shareholder. In case of the death of any one or more of the joint registered holders of any shares the survivors shall be the only persons recognised by the Company, as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

Representative Shareholder to be registered or nominate another person. 23.

Any person becoming entitled to a Share in consequence of the death, bankruptcy, or insolvency of any Member (herein referred to as a person entitled by transmission) shall, within three months of becoming so entitled, produce to the Company such evidence as may be reasonably required by the Directors to prove his title, including, in case of death, probate or letters of administration, registered in India, and declare in writing his election either to be himself registered as a Member in respect of the Share, or instead of being registered himself, to make such transfer as the deceased, bankrupt, or insolvent person could have made: Provided that the Directors shall have the same discretion to refuse to register a transferee as in the case of transfer by a registered member.

Registration of representative Shareholder or his nominee. 24. If any person entitled to any Shares by transmission shall give the required proof of his title, and shall declare his election to be himself registered as a Member of the Company, the Directors may, upon payment of a fee not exceeding Rupees two, place his name upon the Register in respect of the said Shares; and if such person as aforesaid shall give the required proof and nominate some other person to be registered, the person so nominating and the person so nominated shall respectively, as transferor and transferee, execute, an instrument of transfer, and the name of the transferee may, upon payment of a fee not exceeding Rupees two, be placed upon the Register in respect of the said Shares.

Penalties for not registering. 25. Until any person becoming entitled to Shares by transmission shall have complied with the terms of the preceding Articles, the Company may retain any Dividend or Bonus declared upon such Shares, and shall not be bound to recognise the title of the person claiming under such transmission; and if such person so becoming entitled to any partly paid Shares shall not have complied with the terms of the said Articles for a period of three months from the time of so becoming entitled, the Directors may cause to be served on him a notice requiring him to comply with the said terms within a period not being less than one month from the date of such notice and stating that if he does not comply with the requirements of the said notice, the Shares in respect of which such notice is given will be liable to forfeiture; and if the person on whom such notice has been served shall not comply with the requirements thereof within the time named therein, the Shares in respect of which the said Notice was given shall be liable to be forfeited by a resolution of the Directors passed at any time before the requirements of the said notice shall have been complied with.

26. Every shareholder shall from time to time, leave in writing at the office a place of address in India, or after the Company shall, under the provisions of Article 126, have opened a register in any country where the Law permits a place of address in such country to be registered as his place of residence, and the place so from time to time registered in India, or in such other country after the opening of such Register therein shall, for the purposes of the Statute and these presents, be deemed his place of residence. In default of doing so, the Office of the Company shall be deemed his place of residence and registered address.

Guardians and Committee may be placed on Register. 27. The guardians of an infant Member, and the committee or other legally constituted representative of the estate of a lunatic Member, may, upon producing to the Directors such evidence of their position as may be reasonably required, be placed upon the Register in respect of the Shares held by such infant or lunatic Member, as the case may be.

FORFEITURE OF SHARES AND LIEN

Notice may be served requiring payment of Call or Instalment. 28. If any Member fails to pay any Call or instalment of a Call on the day appointed for payment thereof the Directors may, at any time thereafter during such time as any part of the Call or instalment remains unpaid, serve a notice on him requiring him to pay so much of the Call or instalment as is unpaid, together with interest accrued and any expenses incurred by reason of such non-payment.

- What the notice is to State.** 29. The notice shall name a further day (not being earlier than the expiration of fourteen days from the date of the notice) on or before which such Call or instalment and all interest accrued and expenses incurred by reason of such non-payment are to be paid, and it shall also name the place where payment is to be made, such place being either the Registered Office of the Company or some other place at which Calls of the Company are usually made payable. The notice shall also state that, in the event of non-payment at or before the time and at the place appointed, the Shares in respect of which such Call or instalment is payable will be liable to forfeiture.
- If notice not complied with share may be Forfeited.** 30. (a) If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time, thereafter, before payment of all Calls, or instalments, interest, and expenses, due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares, and not actually paid before the forfeiture.
- Notice after forfeiture.** (b) When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register.
- Forfeited share to become property of Company** 31. (a) Any Share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit;
- Power to annual forfeiture.** (b) The Directors may, at any time before any share so forfeited shall have been sold, reallocated, or otherwise disposed of, annual the forfeiture thereof upon such conditions as they think fit.
- Liability to pay Calls after forfeiture.** 32. Any person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding remain liable to pay to the Company all Calls and instalments owing upon such Shares at the time of forfeiture, together with interest thereon, at such rate not exceeding Ten per centum per annum as the Directors shall appoint, down to the date of payment; but the Directors may, if they shall think fit, remit the payment of such interest or any part thereof.
- Entry of particulars.** 33. When any Shares have been forfeited an entry shall forthwith be made in the Register of Members of the Company recording the forfeiture and the date thereof, and as soon as the Shares so forfeited have been disposed of an entry shall also be made of the manner and date of the disposal thereof.
- Lien.** 34. The Company shall have a first and paramount lien upon all Shares not fully paid-up held by any Member of the Company (whether alone or jointly with other persons), and upon all Dividends and Bonuses which may be declared in respect of such Shares for all debts, obligations, and liabilities of such Member to the Company: Provided always that if the Company shall register a transfer of any Shares upon which it has such a lien as aforesaid without giving to the transferee notice of its claim the said Shares shall be freed and discharged from the lien of the Company.

- As to enforcing lien by Sale.** 35. For the purpose of enforcing lien the Directors may sell the Shares subject thereto in such manner as they think fit, but no sale shall be made until the expiration of 14 days after a notice in writing of the intention to sell shall have been served on such member, his executors or administrators, and default shall have been made by him or them in the payment, fulfilment, or discharge or such debts, liabilities or engagements.
- Proceeds how applied.** 36. Upon any sale being made by the Directors of any Shares to satisfy the lien of the Company thereon, the proceeds shall be applied: First, in the payment of all costs of such sale; next, in satisfaction of the debts or obligations of the Member to the Company, and the residue (if any) shall be paid to the person entitled to the Shares at the date of the sale, or as he shall direct.
- What necessary to give title to purchaser.** 37. An entry in the Minute Book of the Company of the forfeiture of any Shares, or that any Shares, have been sold to satisfy a lien of the Company, shall be sufficient evidence, as against all persons entitled to such Shares, that the said Shares were properly forfeited or sold; and such entry, and the receipt of the Company for the price of such Shares, shall constitute a good title to such Shares, and the name of the purchaser shall be entered in the Register as a member of the Company, and he shall be entitled to a Certificate of Title to the Shares, and shall not be bound to see to the application of the purchase money. The remedy of the former Holder of such Shares, and of any person claiming under or through him shall be against the Company and in damages only.
38. The Directors may accept the surrender of any Share on such terms as they think fit.

SHARE WARRANTS

- Power to issue share Warrants** 39. The Company, with respect to fully paid up Shares may with the previous approval of the Central Government issue under its seal, Warrants (hereinafter called "Share Warrants") stating that the bearer is entitled to the Shares therein specified, and may provide, by coupons or otherwise for the payment of future dividend on the shares specified in such Warrants.
- As to condition in which share Warrants shall be issued.** 40. The Directors may determine, and from time to time vary, the conditions upon which share Warrant shall be issued and in particular, the conditions upon which a new Share warrant or coupon will be issued in the place of worn out, defaced, lost, or destroyed or upon which the bearer of a share warrant shall be entitled to attend and vote at General Meetings, or upon which a share warrant may be surrendered, and the name of the bearer entered in the register in respect of the shares therein specified. The bearer of a share Warrant shall be subject to the conditions for the time being in force, whether made before or after the issue of such Warrant.
41. Share Warrants shall not be taken into account as constituting or contribution to the qualification of a director.

ALTERATION OF SHARE CAPITAL

- Conversion of shares into stock and reconversion.** 42. The Company by resolution in General Meeting may convert any paid-up shares into stock and may convert any stock into paid-up shares of any denomination.

43. When any shares have been converted into stock, the several holders of such stock, may henceforth transfer their respective interests, therein, or any part of such interests, in the same manner and subject to the same regulations as and subject to which fully paid-up shares in the Company's capital may be transferred, or as near thereto as circumstances will admit. But the Directors may from time to time, if they think fit fix the minimum amount of stock transferable and direct that the fractions of a rupee shall not be dealt with, but with power nevertheless, at their discretion to waive such rules in any particular case.

**Right of
Stockholders**

44. The stock shall confer on the holders thereof respectively the same privileges and advantages as regards participation in profits and votings at meetings of the Company, and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except the participation in profits of the Company, or in the assets of the Company, on a winding up, shall be conferred by any such **aliquot** part of stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit apply to stocks as well as to shares.

**Power to alter
share capital.**

45. The Company may, by an ordinary resolution alter the conditions of its Memorandum as follows that is to say, it may;

- (a) increase its Authorised Share Capital by such amount as may be deemed expedient.
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing Shares;
- (c) sub-divide its shares, or any of them into shares of smaller amount than is fixed by its memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (d) cancel shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

**On what condi-
tions new shares
may be issued.**

46. The new shares may be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the special resolution resolving upon the creation thereof, shall direct, and if no direction be given as the directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a special or without any right of voting.

How far new shares to rank with shares in Original Capital.

47. Except so far as otherwise provided by the conditions of issue, or by these presents any capital raised by the issue of further shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.

Reduction of Capital.

48. The Company subject to the provisions of Section 100 of the Act, may, from time to time, by special resolution, reduce its share capital, and in particular and without prejudice to the generality of the foregoing power, may;

(a) Extinguish or reduce the liability of any of its shares in respect of share capital and not paid up;

(b) either with or without extinguishing or reducing liability of any of its shares cancel any paid-up share capital which is lost, or is unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company.

and may, if so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

Sub-division into preferred and ordinary.

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

MODIFICATION OF RIGHTS

Alteration of rights of special classes of shares.

50. (1) If, at any time, the share capital of the Company is divided into different classes of shares other rights attached to any class of shares unless otherwise provided by the terms of issue of the shares of that class may be varied.

(a) with the consent in writing of the holders of not less than three fourths of the issued shares of that class, or

(b) with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class.

(2) All the provisions herein contained as to General Meetings shall, **mutatis mutandis** apply to every such separate meeting of the holders of shares whose rights are to be varied except that the quorum there of shall be members holding, or representing by proxy one-tenth of the nominal amount of the issued shares of that class.

BORROWING POWERS

Powers to borrow.

51. The Directors may subject to the provisions contained in section 293 (1) (d) of the Act, from time to time, at their discretion, borrow, or secure the payment of, any sum or sums of money for the purposes of the Company.

Bonds, Debentures & c. to be subject to control of Directors. 52. Any Bonds, Debentures, Debenture Stock, or other securities issued or to be issued by the Company shall be under the control of the Directors, who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Conditions on which money may be borrowed. 53. (a)(1) The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture stock, or any mortgage, charge, or other security on the undertaking or the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

(2) The Board may keep alive redeemed debentures for the purpose of re-issue and it shall have the power either to re-issue the same debentures or issue other debentures in place of those redeemed as it may think fit.

Securities may be assignable free from equities. (b)(1) Debentures, debenture stock, bonds, or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

(2) Any debentures, debenture stock, bonds or other securities may be issued at a discount premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Directors, and otherwise; provided that no debentures shall be issued carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.

Indemnity may be given. 54. If the Directors or any of them or any other persons, shall become personally liable for the payment of any sum primarily due from the Company the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

Copies of instruments creating charges and Register of charges to be kept. 55. (a)(1) The Company shall cause a copy of every instrument creating any charge requiring registration under the Act, to be kept at the Registered Office of the Company provided that, in the case of a series of uniform debentures, a copy of one debenture of the series shall be sufficient.

(2) The Company shall keep at its Registered Office a register of charges and enter therein all charges specifically affecting property of the Company and all floating charges on the undertaking or any property of the Company, giving in each case.

i) a short description of the property charged.

ii) the amount of the charge; and

iii) except in the case of securities to bearer, the names of the persons entitled to the charge.

Endorsement of certificate of registration on debentures.

(b) The Company shall cause a copy of every certificate of registration given by the Registrar of registration of any charge registered with him to be endorsed on every debenture or certificate of debenture stock which is issued by the Company and the payment of which is secured by the charge so registered;

Provided that nothing in this article shall be construed as requiring the Company to cause a certificate of registration of any charge so given to be endorsed on any debenture or certificate of debenture stock issued by the Company before the charge was created.

Right to inspect copies of instruments creating charges and Company's Register of Charges.

(c)(1) The copies of instruments creating charges and the register of charges shall be open during business hours (but subject to such reasonable restrictions as the Company in General Meeting may impose so that not less than two hours in each day are allowed for inspection) to the inspection of any creditor or member of the Company without fee at the Registered Office of the Company.

(2) The register of charges shall also be open during business hours but subject to the reasonable restrictions aforesaid, to the inspection of any other person on payment of a fee of one rupee for each inspection at the Registered Office of the Company.

Register and index of debenture holders.

56. (1) The Company shall keep in one or more books a register of the holders of its debentures and enter therein the following particulars namely;

(a) the name and address, and the occupation, if any, of each debenture holder;

(b) the debentures held by each holder distinguishing each debenture by its number; and the amount paid or agreed to be considered as paid on these debentures.

(c) the date at which each person was entered in the register as a debenture holder; and

(d) the date at which any person ceased to be a debenture holder.

(2)(a) In the event of the Company having more than fifty debenture holders, the Company shall unless the register of debenture holders is in such a form as in itself to constitute an index, keep an index (which may be in the form of a card index) of the names of the debenture holders of the Company and shall within fourteen days after the date on which any alteration is made in the register of debenture holders make the necessary alteration in the index.

(b) the index shall, in respect of each debenture holder contain a sufficient indication to enable the entries relating to that holder in the register to be readily found.

Power to close register of debenture holders.

(3) The Company, may after giving not less than seven days previous notice by advertisement in some newspapers circulating in Andhra Pradesh, close the register of debenture holders for any period or periods not exceeding in the aggregate forty five days in each year, but not exceeding thirty days at any one time.

GENERAL MEETINGS

57. All General Meetings other than the Annual General Meeting of the Company shall be called Extraordinary General Meetings.

Annual General Meeting.

58. (1) The Company shall, in addition to any other meetings hold a general meeting which shall be styled as its Annual General Meeting at the intervals and in accordance with the provisions specified below :

The Annual General Meeting shall be held by the Company within six months after the expiry of each financial year : provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next or within the extension in time granted by the Central Government under the provisions of the Companies Act.

(2) Every Annual General Meeting shall be called for a time, during business hours, on a day that is not a public holiday, and shall be held either at the Registered Office of the Company or at some other place within the city in which the Registered Office of the Company is situated.

When Extraordinary General Meeting to be called.

59. (1) The Directors may, whenever they think fit convene an Extraordinary General Meeting and they shall, on the requisition of such number of members of the Company as held at the date of the deposit of the requisition, not less than one tenth of such paid-up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed to call an Extraordinary General Meeting of the Company.

(2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the registered office of the Company.

(3) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(4) Where two or more distinct matters are specified in the requisition, the provisions as to the number of members who may make a requisition shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions as to the number of members who may make a requisition is fulfilled.

(5) If the directors do not, within twenty one days from the date of the deposit of a valid requisition in regard to any matters proceed duly to call a meeting for the consideration of these matters on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called :

(a) by the requisitionists themselves;

(b) by such of the requisitionists as represent a majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit of the requisition carried the right of voting in regard to that matter, whichever is less.

EXPLANATION : For the purposes of this clause, the directors shall, in the case of a meeting at which a resolution is to be proposed as a special resolution be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section 2 of section 189 of the Act.

(6) A meeting called under clause (5) by the requisitionists or any of them :

(a) shall be called in the same manner, as nearly as possible as that in which meetings are to be called by the directors; but

(b) shall not be held after the expiration of three months from the date of the deposit of the requisition.

EXPLANATION : Nothing in clause (b) shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid from adjourning to some day after the expiry of that period.

(7) Where two or more persons held any shares in the Company jointly, a requisition, or notice calling a meeting, signed by one or some only of them, shall, for the purpose of this article, have the same force and effect as if it had been signed by all of them.

(8) Any reasonable expenses incurred by the requisitionists by reasons of the failure of the directors duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the directors as were in default.

Length of Notice of any General Meeting.

60. (1) A general meeting of the Company may be called by giving not less than twenty one days notice in writing.

(2) A general meeting may be called after giving shorter notice than that specified in clause (1) if consent is accorded thereto :

(i) in the case of any annual general meeting, by all the members entitled to vote thereat; and

(ii) in the case of any other meeting, by members of the Company holding not less than ninety-five per cent of such part of the paid up share capital of the Company as gives a right to vote at the meeting.

Provided that where any members of the Company entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of this sub-clause in respect of the former resolution or resolutions and not in respect of the latter.

61. Every notice of meeting of a Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

- Contents and manner of service of notice and persons on whom it is to be served.**
62. Notice of every meeting of the Company shall be given :
- (i) to every member of the Company in the manner in which notices are to be served on members :
 - (ii) to the persons entitled to a share on consequence of the death or insolvency of member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
 - (iii) to the auditor or auditors for the time being of the Company, in any manner authorised by these articles in the case of any member or members of the Company.
63. The accidental omission to give notice to or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
- Explanatory statement to be annexed to notice.**
64. (1) For the purpose of this article :
- (a) in the case of an annual general meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to (i) the consideration of the Accounts, Balance Sheet and the Reports of the Directors and auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in the place of those retiring and (iv) the appointment of and fixing of the remuneration of the auditors and
 - (b) in the case of any other meeting all business shall be deemed special.
65. (1) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particulars the nature of the concern or interest if any, therein of every Director if any, and the Manager, if any.
- (2) Where any item of business consists of according approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
- Notice to specify that proxies are permitted.**
66. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a member.

PROCEEDINGS AT GENERAL MEETINGS

- Business of Meeting.**
67. The business of an Ordinary General Meeting shall be to receive and consider the accounts and balance sheets and the reports of the Directors and Auditors, to elect Directors in place of those retiring, to elect Auditors and fix their remuneration, and to sanction a Dividend. All other business transacted at an Ordinary Meeting, and all business transacted at an Extraordinary Meeting shall be deemed special.

68. Any act of the Directors within the powers of the Company which shall have been expressly or by implication, and either previously or subsequently, approved by the Company in General Meeting, shall not be afterwards questioned on any grounds whatsoever.
- Quorum to be present when business commenced.** 69. Five members personally present shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless the quorum requisite be present at the commencement of the business.
- When, if Quorum not present meeting to be dissolved, and when to be adjourned.** 70. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place and if that day is a public holiday, till the next succeeding day which is not a public holiday; at the same time and place, or to such other day, time and place as the directors may by notice to the shareholders appoint. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, notwithstanding what is stated in the Article 69 any two members who are personally present shall be a quorum, and may transact the business for which the meeting was called.
- A Chairman** 71. The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman, or if at any Meeting he be not present within fifteen minutes after the time appointed for holding the Meeting, or is unwilling to act as Chairman, the Members present shall choose one of the Directors present to be Chairman; or if no Director shall be present and willing to take the Chair, the Members present shall choose one of their number to be Chairman.
- Adjournment with consent of Meeting.** 72. The Chairman may, with the consent of any Meeting at which a quorum is present, adjourn the Meeting from time to time and from place to place; but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.
- What is to be evidence of the passing of a resolution where poll not demanded.** 73. At any general meeting, unless a poll is, before or on the declaration of the result of the show of hands, demanded by the Chairman or by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up, a declaration by the Chairman that a resolution has on a show of hands been carried or carried by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- Poll** 74. If a poll is demanded as aforesaid, it shall subject to the provisions of these Articles, be taken in such manner at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise, but not exceeding 48 hours from the time when the

demand is made and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the question of adjournment shall be taken forthwith.

The demand of a poll may be withdrawn at any time before the poll is taken by the person or persons who made the demand. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith shall be final and conclusive.

- When poll taken without adjournment.** 75. A poll demanded upon the election of a Chairman or upon a question of adjournment shall be taken forthwith. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

VOTES OF MEMBERS

- Votes** 76. Upon a show of hands every Member present in person shall have one vote only. Upon a poll every Member present in person or by proxy shall have one vote for every Share held by him.

77. A Shareholder personally present at any General Meeting may decline to vote any question thereat but shall not by so declining be considered absent from the Meeting.

- By Committee or curator.** 78. If any Member be a lunatic or idiot he may vote by his committee, curator bonis or other legal curator.

- Votes of persons whose calls are un-paid.** 79. No Member shall be entitled to vote at any General Meeting unless all Calls due from him have been paid.

- Proxy** 80. On a poll votes may be given by a Member entitled to vote either Personally or by proxy.

- Proxies** 81. (1) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.

(2) The instrument appointing a proxy shall be in writing and be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a body corporate be under its seal and be signed by an officer or an attorney duly authorised by it.

- When to be deposited at Office.** 82. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or any office copy or notarially certified copy of that power or authority shall be deposited at the office not less than forty eight hours before the time for holding the 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, but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

Form of Proxy. 83. An instrument appointing a proxy shall be in the following form, or in any other form of which the Directors shall approve;

FORM OF PROXY

“ THE SINGARENI COLLIERIES COMPANY LIMITED ”

I/We _____ of _____ in the district of _____ being a member /members of the above named Company hereby appoint _____ of _____ in the district of _____ or failing him, _____ of _____ in the district of _____ my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting / General Meeting (not being an annual general meeting) of the Company to be held on the _____ day of _____ and at any adjournment thereof.

Signed this _____ day of _____ 19 _____.

DIRECTORS

Number of Directors. 84. The Board shall consist such number of Directors as a General Meeting shall from time to time determine and until and subject to such determination shall consist of any number not more than 11 and not less than 3.

First Directors 85. The following persons shall be the first Directors of the Company :
Sir Gordon Fraser, L. C. Croslegh, T. M. Ross.

The first Directors and any others appointed by General Meeting within one year from the incorporation of the Company (except such of them as shall vacate their offices under any of the provisions of these presents) shall continue in office for two years from the incorporation of the Company.

Qualification Shares. 86. The qualification of a Director shall be the holding of at least one share in the Company. It shall be his duty to obtain such qualification within two months after his appointment, and to comply with the provisions of any Act which may be from time to time in force in respect of obtaining such qualification.

His office shall be vacated if he does not within two months from the date of such appointment obtain such qualification or if after the expiration of such period he ceases at any time to hold his qualification; and a person vacating office under this article shall be incapable of being reappointed a Director of the Company until he has obtained his qualification.

Remuneration of Directors. 87. (i) The remuneration payable to the Directors who are in the whole time employment of the Company including the Managing Director shall be in accordance with the provisions of the Act.

ii) The Director who is not in the whole time employment of the Company shall be paid a sum of Rs. 100/- or such other sum not exceeding Rs. 250/- as may be fixed from time to time by the Board for every Board meeting /or Committee thereof or selection committee meeting attended by him.

iii) If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors, and such remuneration may be either in addition to or in substitution of his remuneration above provided.

iv) In addition to the remuneration above specified the directors shall also be entitled to be repaid all travelling and other expenses incurred by them respectively in connection with their attending meetings of directors or of committees of directors or which they may otherwise incur in or about the performance of their duties as directors.

POWERS OF DIRECTORS

General Powers of Company vested in Directors. 88. The Management of the business of the Company will be vested in the directors, and the directors may exercise all such powers and do all such acts and things as the Company is by its Memorandum and Articles of Association or otherwise authorised to exercise and do, and are not, hereby or by statute directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act, and of these presents, and to any regulations not being inconsistent with these presents from time to time made by the Company in General Meeting.

Provided that no such regulation shall invalidate any prior act of the directors, which would have been valid if such regulation had not been made.

Express Powers 89. without prejudice to any of the powers by these Articles or by law conferred upon the Directors, it is hereby declared that they shall have the following powers: viz:

Carryout Preliminary Agreement. (A) To Carry into effect (with or without modifications) the Agreement referred to in Clause 3, Sub. Clause (E) of the Memorandum of Association.

Pay Preliminary expenses. (B) To pay all the preliminary expenses incurred in or about the formation, promotion, and registration of the Company and the procuring its Capital to be subscribed.

Acquire Property. (C) To purchase or otherwise acquire on behalf of the Company any property, rights, or things which the Company may purchase or acquire.

Appoint Servants & Agents. (D) To appoint, remove, or suspend any managers, Secretaries, officers, clerks, agents, or servants, and to direct and control them, and fix and pay their remuneration either by way of salary, commission or participation in profits or any one or more of these methods.

Negotiate and make contracts. (E) To enter into negotiations and agreements or contracts (Preliminary, conditional, or final) and to give effect to, modify, vary, or rescind the same.

Appoint Attorneys. (F) To appoint agents and attorneys for the Company in India or abroad, with such powers (including power to subdelegate) as may be thought fit, and to provide if necessary, for the Management of the affairs of the Company by any other Company or any firm or person.

- Arrange joint working.** (G) To enter into any arrangement with any Company firm, or person carrying on any business similar to that of this Company for mutual concessions, or for any joint working or combination or for any restriction upon competition, or for any pooling of business or profits that may seem desirable, and to carry the same into effect.
- Grant Pensions.** (H) To give award, or allow any pension, gratuity, or compensation to any employee of the Company, or his widow or children, that may appear to the Directors just or proper, whether such employee, his widow or children, have or have not a legal claim upon the Company.
- (I) To promote maintain and manage a provident fund or funds for the benefit of the employees of the Company and to contribute to such provident fund or funds from the funds of the Company.
- Conduct or compromise litigation.** (J) To commence and carry on, or defend, abandon, or compromise any legal proceedings whatsoever, including proceedings in bankruptcy, on behalf of the Company, or to refer any claims or demands by or against the Company to arbitration, and to observe and perform the awards and to accept compositions from or give time to any debtor or contributory owing money or alleged to owe money to the Company.
- Give Receipts.** (K) To give receipts, releases, and discharges on behalf of the Company.
- Invest Money.** (L) To invest and deal with any of the moneys of the Company not immediately required for the purposes of its business in such manner as they may think fit, and to vary such investments or realise the amount invested therein, provided that they shall not purchase or make advances upon any of the Shares of the Company.
- Give Indemnities.** (M) To give indemnities to any Director or other person who has undertaken or is about to undertake any liability on behalf of the Company, and to secure such Director or other person against loss by giving him subject to the rights of the existing debenture holders a mortgage or charge upon the whole or any of the property of the Company by way of security.
- Remunerate for services.** (N) To remunerate any person rendering services to the Company, whether in its regular employment or not, in such manner as may seem fit, whether by cash, salary, Bonus, or Shares or Debentures, or by a commission or shares of profits, either in any particular transaction or generally, or howsoever otherwise.
- (O) To issue any of the shares as fully or in part paid-up, in payment for any property which the Company is authorised to acquire and out of capital or other moneys of the Company and either in cash or fully or partly paid up Shares of the Company or in any other way pay all expenses incurred or agreed to be paid.
- Borrowing Powers.** (P) To borrow and raise from time to time such moneys as they may think necessary for the purposes of the company at such rate of interest and upon such terms as they may think proper and to execute mortgages or issue debentures or debenture stock redeemable or irredeemable in respect of such moneys and subject to the rights of existing debenture holders charge any property of the Company or calls made or to be made on share capital and create and

issue such mortgages debentures of debenture stock in discharge of any obligations of the Company or for any purposes of the Company and accept and endorse bills of exchange or promissory notes in the name of and on behalf of the Company but so that the moneys at any one time owing shall not without the sanction of a General Meeting exceed the paid-up capital and free reserves of the Company.

- (Q) To direct the manner in which all payments shall be made but no person except the Directors and persons authorised in writing by them and acting within the limits of the authority so given shall have any authority to make, accept or endorse any promissory note bill of exchange or cheque on behalf of the Company or to enter into any contract or engagement so as to impose thereby any liability on the Company or otherwise to pledge the credit of the Company.
- (R) To appoint the place at which the Registered Office shall be situated and if thought fit from time to time alter the same and open such other office or offices elsewhere as they may think fit.

DISQUALIFICATION OF DIRECTORS

- Disqualification.** 90. The office of a Director shall be vacated :
- (A) If he become bankrupt or insolvent or compound with his creditors :
 - (B) If he become of unsound mind or be found a lunatic :
 - (C) If he be convicted of an indictable offence :
 - (D) If he cease to hold the necessary qualification in Shares, or do not obtain the same within two months from the date of his appointment.
 - (E) If he absent himself from three consecutive meetings of Directors without leave of absence from the Board.
 - (F) If he resigns his office.

But any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice has been served upon the Directors or an entry has been made in the Directors' Minute book stating that such Director has ceased to be a Director of the Company.

- Director may contract with Company.** 91. A Director shall not be disqualified by his office from entering into contracts, arrangements, or dealings with the Company, nor shall any contract, arrangement, or dealing with the Company be voided, nor shall a Director be liable to account to the Company for any profit arising out of any contract, arrangement, or dealing with the Company by reason of such Director being party to or interested in or deriving profit from any such contract, arrangement, or dealing, and being at the same time a Director of the Company, provided that such Director discloses to the Board at or before the time when such contract, arrangement, or dealing is determined upon his interest therein, or, if his interest be subsequently acquired, provided that he on the first occasion possible discloses to the Board the fact that he has acquired such interest. But except, in respect of the Agreement referred to in Article 3 hereof, and in respect of any indemnity to a Director under

Article 89 (M) hereof, no Director shall vote as a Director in regard to any contract, arrangement, or dealing in which he is interested, or upon any matter arising thereout, and if he shall so vote his vote shall not be counted, nor shall he be reckoned for the purpose of constituting a quorum of Directors.

Directors may act notwithstanding vacancy.

92. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as the number of Directors is reduced below the number fixed by or pursuant to the Regulations of the Company as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.

ROTATION OF DIRECTORS

Rotation and retirement of Directors.

93. At the first annual general meeting of the Company and at every subsequent annual general meeting one third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office and be eligible for re-election.

Directors to retire.

94. The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment. A retiring director shall be eligible for re-election and shall act as director throughout the meeting at which he retires.

Power for General Meeting to increase or reduce number of Directors.

95. (a) Subject to the provisions of Section 259 of the Act, the Company in general meeting may, subject to the provisions of these articles from time to time appoint new Directors and may increase or reduce the number of directors in office and may alter their qualifications.

Meeting to fill up vacancies.

(b) The Company at any General Meeting at which any directors retire in manner aforesaid may fill up the vacated offices by electing a like number of persons to be directors.

Retiring Directors to remain in office till successors are appointed.

96. If, at any general meeting at which an election of directors ought to take place, the place of any director retiring by rotation is not filled up, and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting also the place of retiring director is not filled up, and that meeting also has not expressly resolved not to fill the vacancy, a director retiring by rotation shall be deemed to have been reappointed at the adjourned meeting, unless :

- i) at that meeting or at the previous meeting a resolution for the re-appointment of such directors has been put to the meeting and lost;

- ii) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed;
- iii) he is not qualified or is disqualified for appointment.
- iv) a resolution, whether special or ordinary is required for his appointment or reappointment by virtue of any provisions of the Act, or
- v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case;

Number of Directors may be varied.

97. The Company may from time to time in General Meeting increase or reduce the number of Directors, and may also determine in what rotation and in what number such increased or reduced number is to go out of office.

Casual vacancies.

98. The Directors shall have power at any time and from time to time to appoint any other qualified person to be a Director of the Company, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number herein before fixed. Any Director so appointed shall hold office only until the next following Ordinary General Meeting of the Company, when he shall retire, but shall be eligible for re-election.

Removal of a Director.

99. Subject to the provisions of Section 284 of the Act, the Company in General Meeting may, by an Ordinary Resolution remove any Director before the expiration of his period of office, and may by an Ordinary Resolution, appoint another person in his stead. The person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

Right of persons other than retiring directors to stand for directorship.

100. (1) A person who is not retiring director shall subject to the provisions of the Act, be eligible for appointment to the office of director at any General Meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, left that the office of the Company a notice in writing under his hand signifying his candidature for the office of director or the intention of such member to propose him as a candidate for that office, as the case may be (alongwith a deposit of five hundred rupees which shall be refunded to such person or, as the case may be to such member if the person succeeds in getting elected as a Director).

(1A) The Company shall inform its members of the candidature of a person for the office of director or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting :

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in English language and the other in the regional language of that place.

ALTERNATE DIRECTORS

- Appointment of alternate Director.** 101. Where a director goes out of the State in which meetings of the Board are ordinarily held or is about to go out, the directors may appoint any person to be an alternate director during his absence from the State in which meetings of the Board are ordinarily held for a period of not less than 3 months and such appointment shall have effect and such appointee whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly, but he shall not be required to hold any qualification, and he shall ipso facto vacate office if and when the original director returns to the State or vacates office as director.
102. If the term of office of the original director is determined before he so returns to the State aforesaid, any provision for the automatic re-appointment of retiring Directors in default of another appointment, shall apply to the original and not to the alternate director.

MANAGING DIRECTORS

- Power to appoint Managing Director.** 103. The Government of Andhra Pradesh in consultation with the Central Government will be at liberty to appoint a director as the Managing Director for such period as it may think fit with power to remove or dismiss him from such office and appoint another Managing Director in his place. The director shall not while he continues to hold the office of Managing Director, be subject to retirement by rotation.
- What provisions he will be subject to** 104. A Managing Director shall not be reckoned as a Director for the purpose of determining the rotation of retirement of directors or infixing the number of directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other directors of the Company and he shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of director from any cause.
- Remuneration of Managing Director.** 105. The remuneration of a Managing Director shall subject to the provisions in the Act, from time to time be fixed by a resolution passed by the Directors and may be by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- Powers may be delegated.** 106. The Directors may from time to time entrust to and confer upon the Managing Director or Managing Directors all or any of the powers of the Directors (not including the power to make calls, forfeit Shares, borrow money, or issue Debentures) that they may think fit. But the exercise of all powers by the Managing Director or Managing Directors shall be subject to all such regulations and restrictions as the Directors may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied.

LOCAL MANAGERS

- Local Management.** 107. The directors may from time to time provide for the Management and transaction of the affairs of the Company in any specified locality in India,

or elsewhere in any part of the world, in such manner as they may think fit and the provisions contained in the four next following articles shall be without prejudice to the General powers conferred by this article.

Local Board 108. The directors from time to time and at any time, may establish any local boards or agencies for managing any of the affairs of the Company in any such specified locality and may appoint any persons to be members of such local board, or any managers or agents and may fix their remuneration. And the directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the directors, other than the power of making calls and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein, and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the directors may think fit, and the directors may at any time remove any person so appointed and may annual or vary any such delegation.

Powers of Attorney. 109. And any such appointment may (if the directors think fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any company or of the members, directors, nominees, or managers of any Company or firm, or in favour of any fluctuation body of persons whether nominated directly or indirectly by the directors, and any such power of attorney may contain such provisions for the protection or convenience of or persons dealing with such attorney or attorneys as the directors may think fit.

Sub-delegation. 110. Any of such delegates or attorneys as aforesaid may be authorised by the directors to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.

111. All agreements, bills of exchange, promissory notes, and other instruments which require to be signed on behalf of the Company, but do not require to be sealed, shall be signed with the authority of the Board, either by one Director and the Secretary or by some person or persons authorised by the Board and no other signature shall be binding on the Company.

PROCEEDINGS OF DIRECTORS

Meetings of Directors and Quorum. 112. (a) The Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.

(b)(i) A director may at any time and the Secretary upon the request of a Director, shall convene a meeting of the Directors.

Notice. (ii) Notice of every meeting of the Board of Directors of a Company shall be given in writing to every Director for the time being in India, and at his usual address in India, to every director.

Quorum for meetings. (c) The quorum for a meeting of the Board of Directors shall be one-third of its total strength (any fraction contained in that one third being rounded

off as one), or two directors whichever is higher provided that where at any time the number of interested directors exceeds or is equal to two thirds of the total strength, the number of the remaining directors who are not interested, shall be the quorum during such time. In this article "total strength" means the total strength of the Board of Directors after deducting there from the number of directors, if any, whose places may be vacant, at that time; and "interested director" means any director whose presence cannot by reason of Section 300 of the Act, count for the purpose of forming a quorum at a meeting of the Board of Directors at the time of discussion or at the time of vote on any matter.

- Chairman.** 113. The Government of Andhra Pradesh in consultation with the Central Government will be at liberty to appoint a director as Chairman for such period as it may think fit with power to remove or dismiss him from such office and appoint another Chairman in his place. The Director shall not, while he continues to hold the office of the Chairman, be subject to retirement by rotation. The Chairman will preside at every meeting of the Board of Directors, but if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same, the directors present shall choose one of them to be the Chairman of such meeting.
- Power to appoint Committees and to delegate.** 114. Subject to the provisions of section 292 of the Act, the directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit, and may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the directors. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by the directors under this article.
- When acts of directors or committee valid notwithstanding defective appointment etc.** 115. (a) All acts done at any meeting of the directors or of a committee of directors, or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such directors or person acting as aforesaid or that they or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be a director.
- Passing of Resolution by Circulation.** (b) No resolution shall be deemed to have been duly passed by the director or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the committee then in India (not being less in number than the quorum fixed for a meeting of the Board or committee, as the case may be) and to all other directors or members at their usual address in India, and has been approved by such of the directors as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.
116. — Deleted —
- Minutes to be made.** 117. (1) The directors shall cause minutes to be duly entered in books provided for the purpose :

- (a) of all appointments of officers,
- (b) of the names of the directors present at each meeting of the directors and of any committees of directors,
- (c) of all orders made by directors and committees of directors,
- (d) of all resolutions and proceedings of General Meetings and of meetings of the directors and Committees and in the case of each resolution passed at such meeting, the names of the directors if any, dissenting from or not concurring in the resolution,

(2) Any such minutes of any meeting of the directors or of any committees, or of the Company if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes.

(3) The books containing the minutes of General Meetings shall be kept at the Registered Office, and shall be open to inspection of members between the hours of 11.00 A.M., and 1.00 P.M., on all working days.

(4) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company, with a copy of any minutes of General meetings, on payment of thirty seven paise for every hundred words or fractional part thereof required to be copied.

T R U S T E E S

May be appointed by Company.

118. The Company may appoint any two or more responsible persons to be Trustees for the Company or for the Debenture or Debenture stockholders or for any purpose for which it is deemed advisable to have the intervention of Trustees, and in particular the whole or any part of the property of the Company may be vested in Trustees either for the benefit of its Members or to secure to the creditors, Debenture or Debenture stockholder or obligees of the Company the payment of any moneys or the performance of any obligation which the Company ought to pay or perform, and the Company may at any time fill up any vacancy in the office of Trustees.

Appointment by creditors.

119. The Company may delegate to any creditors or other persons the power of appointing or removing Trustees, and may by contract in writing limit or surrender its powers of appointing or removing Trustees.

Remuneration.

120. The remuneration of the Trustees shall be such as the Directors shall determine, and shall be paid by the Company.

121. Subject to the provisions of the Act, the Trustees of the Company (if any) and the Directors and officers shall be indemnified by the Company from all losses and expenses incurred by them in or about the discharge of their respective duties, except such as happen from their own respective wilful and wrongful act or default.

122. No Trustee, Director or officer shall be liable for any other Trustee, Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company, except such as happen from his own wilful and wrongful act or default.

THE SEAL

- Custody of Seal.** 123. The directors shall provide for the safe custody of the Seal, and the Seal shall never be used except by the authority of the Directors, or a Committee of the directors, previously given and in the presence of two directors at the least, who shall sign every instrument to which the Seal is affixed and every such instrument shall be counter signed by the Secretary or some other person appointed by the Directors.
- Seal abroad.** 124. The Company may exercise the powers conferred by the provisions of the Act to have an official Seal for use in any place not situated in India which shall be a facsimile of the Common Seal of the Company, with the addition on its face with name of the place where it is to be used.

BRANCH REGISTER

- Establishment of Branch Register.** 125. The Company may cause to be kept in any country where the Law permits a Branch Register of members resident in such country, and the Directors may do all things necessary for establishing and maintaining such Register. The Directors may empower the Local Managers, or any other authority in such country where such a local register is established to consider and approve or reject transfers and to order the registration of approved transfers of shares included in or proposed to be included in such Branch Register. The Local Managers so empowered shall have the same powers for refusing to register transfers of such shares as the Directors have under these Articles.

DIVIDENDS

- Dividends how payable.** 126. Subject to the rights of the holders of any Shares entitled to any priority, preference, or special privilege, all Dividends shall be declared and paid to the Members in proportion to the amounts paid up on the Shares held by them respectively. No amount paid on a Share in advance or Calls shall, while carrying interest, be treated for the purpose of this Article as paid on the Share.
- Directors to recommend Company to declare Dividend.** 127. The Directors shall lay before the Company in General Meeting a recommendation as to the amount which they consider ought to be paid by way of Dividend, and the Company shall declare, the Dividend to be paid, but such Dividend shall not exceed the amount recommended by the Directors.
- Dividend only out of profits.** 128. No Dividend shall be paid otherwise than out of the profits arising from the business of the Company. Except that the Company to the extent permitted by the Statute may pay interest on paid up Share Capital which has been issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be profitable for a lengthened period, and may charge the same to capital as part of the cost of construction of the work or building or provision of plant.
- Interim Dividends.** 129. The Directors may from time to time pay to the Members such interim Dividends as appear to the Directors to be justified by the profits of the Company.

Deductions. 130. The Directors may deduct from the Dividends payable to any Member all such sums of money as may be due from him to the Company on account of Calls or otherwise.

Dividends may be sent by post. 131. The Company may transmit any Dividend or Bonus payable in respect of any Share by ordinary post to the registered address of the Holder of such Share (unless he shall have given written instructions to the contrary) and shall not be responsible for any loss arising therefrom.

132. All Dividends, whether upon account or otherwise, shall belong and be payable to the shareholders who shall be upon the register of members on the day the resolution declaring such dividend shall be passed, without reference to whether they shall have been or shall be the holders of their shares at any other time whatever. Unless and until otherwise required in writing by the joint holders of a share, the cheque for dividends on shares, held in joint names shall be made payable and sent to the person whose name stands first on the register as one of the holders of such Share.

Dividends not to bear interest. 133. No Dividend shall bear interest as against the Company.

RESERVE FUND

Reserves. 134. The Directors may before recommending a dividend set aside any part of the net profits of the Company to create a Reserve, and may apply the same either by employing it in the business of the Company or by investing it in such manner (not being the purchase of or by way of loan upon the shares of the Company) as they shall think fit, and the income arising from such reserve shall be treated as part of the gross profits of the Company. Such Reserve may be applied as the Directors may think fit for the purposes of maintaining, renewing, increasing or improving any works or property of the Company, replacing wasting assets, meeting contingencies, forming an Insurance Fund, or equalising dividends, or subject to all legal requirements which may be required for the purpose of reducing or redeeming any outstanding shares or loan capital, or for any other purpose for which the net profits of the Company may lawfully be used, and until the same shall be so applied it shall be deemed to remain undivided profit. The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit either to divide or to place to reserve.

ACCOUNTS

Accounts to be kept. 135. (a) (1) The directors shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure takes place, of all sales and purchase of goods and of the assets, credits and liabilities of the Company. The Books of Accounts shall be kept at the Registered Office of the Company or at such other place or places as the directors think fit, and shall at all times be open to inspection by the directors.

- (2) Where the Company has sub-offices at various work sites whether in or outside India the Company shall be deemed to have complied with the provisions of clause (1), if proper books of account relating to the transactions effected at the sub-offices are kept at those offices and proper summarised returns, made upto date at intervals of not more than three months are sent by the sub-offices to the Company at its Registered Office or at the other place referred to in clause (1).
- Inspection by Members.**
- (b) The directors shall from time to time (subject to the provisions of the Act) determine whether and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them shall be open to the inspection of the members and no member shall have any right of inspecting of any account or book or document of the Company except as conferred by statute or authorised by the directors, or by a resolution of the Company in General Meeting and no member not being a director, shall be entitled to require or receive any information concerning the business, trading or customs of the Company, or any trade secrets or secret process of or used by the Company.
- Balance Sheet and Profit & Loss Account.**
- (c) At the Annual General Meeting in every year, the directors shall lay before the Company in general meeting a Profit and Loss Account showing details of gross income and expenditure as required by the Act, and a Balance Sheet containing a summary of the property and liabilities of the Company made to a period beginning with the day immediately after the period for which the accounts was last submitted and ending with a day which shall not precede the day of the meeting by more than six months or in cases where an extension of time has been granted for holding the meeting by more than six months and the extension so granted.
- Annual Report of Directors.**
- (d) There shall be attached to every Balance Sheet laid before the Company in General Meeting a report by the Board of Directors in accordance with the provisions of Section 217 of the Act.
- Copy to be sent to Members.**
- (e) (1) A printed copy of every Profit and Loss Account Balance Sheet, Auditors' Report and Directors' Report shall, not less than twenty one days before the date of the meeting, be sent to every member of the Company, to every holder of debentures issued by the Company (not being debentures which ex-facie are payable to the bearers thereof) to every trustee for the holders of any debentures issued by the Company, whether such member, holder or trustee is or is not entitled to have notices of general meetings of the Company sent to him and to all persons other than such members, holders or trustees being persons so entitled.
- (2) Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Balance Sheet sent to him shall on demand be entitled to be furnished without charge and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand accompanied by the payment of a fee of one rupee be entitled to be furnished with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto including the Profit & Loss Account and the Auditors' Report.

AUDIT

136. (a) So long as the Government (State or Central or both) hold not less than 51% of the paid up share capital in the Company and it is classed as Government Company under section 617 of the Act, the audit of the Company shall be regulated in accordance with Section 619 of the Act;

(b) The remuneration of auditors of the Company appointed by the Central Government as prescribed in clause (a) above, may be fixed by them.

NOTICES

How notices to be served on Members.

137. (1) A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address, or if he has no registered address in India to the address, if any, within India supplied by him to the Company for the giving of notices to him.

(2) Where a notice is sent by post, service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and, unless the contrary is proved such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the same is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(3) Accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

Members out of India.

138. No Member shall be entitled to have a notice served on him at any address not in India; and any Member whose registered address is not in India may by notice in writing require the Company to register an address, in India, which, for the purpose of the service of notices, shall be deemed to be his registered address. Any member not having a registered address in India, and not having given notice as aforesaid, shall be deemed to have received in due course any notice, which shall have been displayed in the Company's Office and shall remain there for the space, of forty-eight hours and such notice shall be deemed to have been received by such Members at the expiration of twenty-four hours from the time when it shall have been so first displayed.

Holders of Share Warrants.

139. It shall not be necessary to give any other notice by advertisement to the Bearers of Share Warrants, and it shall not be necessary to give notice of General Meetings to any person entitled to a Share in consequence of the death or bankruptcy of a Member unless such person shall have been duly registered as a Member of the Company.

**Time of
Service of
Notice.**

140. Any notice, if served by post, shall be deemed to have been served forty-eight hours after the letter containing the same shall have been posted; and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and stamped and put into the post-office or into any post-box subject to the control of the Post Office authorities.

**Advertisement
of Notices.**

141. All notices given by advertisement shall be advertised in at least one or more newspaper or newspapers circulating in India as the Directors shall think proper, and shall be deemed to have been served on the day when such advertisement shall have appeared or if it shall not have appeared on the same day if published in more than one newspaper then on the last of the days on which it shall have so appeared.

A R B I T R A T I O N

**Reference to
arbitration.**

142. If and whenever any difference shall arise between the Company and any of the Members or their respective representatives touching the construction of any of the Articles herein contained, or any act, matter, or thing made or done, or to be made or done, or omitted, or in regard to the rights and liabilities arising hereunder, or arising out of the relation existing between the parties by reason of these presents or of the Statutes, or any of them, such difference shall be forthwith referred to two Arbitrators — one to be appointed by each party in difference — or to an Umpire to be chosen by the Arbitrators before entering on the consideration of the matters referred to them, and every such reference shall be conducted in accordance with the provisions of the Indian Arbitration Act, 1899.

W I N D I N G U P

143. (1) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

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

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

Names, addresses and descriptions of subscribers	Number of Shares taken by each subscriber
L. C. Croslegh, Director, Hyderabad (Deccan) Co., Ltd., Secunderabad.	One
W. H. Ruddle, Chartered Accountant, Secunderabad.	One
B. Lightfoot, Geologist, Secunderabad.	One
E. H. Hunt, F. R. C. S., Secunderabad.	One
Archibald Pocock, Barrister-at-law, Secunderabad.	One
N. A. Sprott, M. Ch., Secunderabad.	One
D. D. Richards, Accountant, M/s. Best & Co., Ltd., Secunderabad.	One

Dated the 18th day of December, 1920.

Witness to the signature of all the above subscribers.

D. Chandler,
Steward,
Secunderabad Club.