

ARTICLES OF ASSOCIATION
OF
AMARA RAJA BATTERIES LIMITED
CONSTITUTION OF THE COMPANY

1. Regulations contained in Table A of the First Schedule of the Companies Act, 1956, hereinafter referred to as 'Table A' shall apply to the Company except in so far as they are embodied in the following articles, which shall be the regulations for the management of the Company.

INTERPRETATION CLAUSE

2. The marginal notes hereto shall not effect the construction hereof, in these presents, the following words and expressions shall have the following meanings, unless excluded by the subject or context:
 - a. 'The Act' means 'The Companies Act, 1956.'
 - b. 'The Board' or 'The Board of Directors' means a meeting of Directors duly called and constituted or as the case may be the Directors assembled at a Board Meeting or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.
 - c. 'The Company' or 'This Company' means **Amara Raja Batteries Limited**.
 - d. 'Directors' means the Directors for the time being of the Company or as the case may be the Directors assembled at a Board Meeting.
 - e. 'In writing' including printing, lithography, typewriting and other usual substitutes for writing.
 - f. 'Members' means the duly registered shareholders of shares of the Company either in physical form or electronic form from time to time and include the subscribers of the Memorandum of Association of the Company and the beneficial owner. (As amended on 09.08.2000)
 - g. 'Month' shall mean the Calendar Month.
 - h. 'The Office' means the Registered Office of the Company.
 - i. 'Paid up' shall include 'Credited as fully paid up.'
 - j. 'Persons' shall include any corporation as well as individuals.
 - k. 'Proxy' includes attorney duly constituted under a Power of Attorney.

- l. 'These Presents' or 'Regulations' means these Articles of Association as originally framed or altered from time to time and in force for the time being and include the Memorandum of Association where the context so requires.
- m. 'The Register' shall mean the Register of members to be kept as required under Section 150 of the Act.
- n. 'The Seal' means the Common Seal for the time being of the Company.
- o. 'Special resolution' shall have the meaning assigned thereto by Section 189 of the Act.
- p. Words imparting the masculine gender shall include the feminine gender and vice versa.
- q. Words imparting the singular shall include the plural, and words imparting the plural shall include the singular.
- r. 'Section' means Section of the Companies Act, 1956.
- s. 'Year' means year of account of the Company.
- t. Galla Family means and include the individuals, corporations or business entities individually or collectively, owing shares in the Company, whose names and addresses are set forth below and their legal heirs, executors, administrations and successors. Each constituent of the Galla Family is herein referred to as a Member, who have hereby irrevocably and collectively appointed Ramachandra N Galla as their Agent and attorney in fact. Ramachandra N Galla may appoint a successor agent. In the event of Ramachandra N Galla's death or disability the Galla Family shall select a successor agent and attorney in fact.

Mr. Ramachandra N Galla	C/o. Amara Raja Batteries Limited "Giridrusya:", Renigunta – Cuddapah Road, Karakamdi -517520 Tirupati, Andhra Pradesh, India.
Mr. Jayadev Galla	C/o. Mr. Ramachandra N Galla Amara Raja Batteries Limited "Giridrusya:", Renigunta – Cuddapah Road, Karakamdi -517520 Tirupati, Andhra Pradesh, India.
Mrs. Amara Kumari Galla	C/o. Mr. Ramachandra N Galla Amara Raja Batteries Limited "Giridrusya:", Renigunta – Cuddapah Road, Karakamdi -517520 Tirupati, Andhra Pradesh, India.
Mrs. Padmavathi Galla	C/o. Mr. Ramachandra N Galla Amara Raja Batteries Limited "Giridrusya:", Renigunta – Cuddapah Road, Karakamdi -517520 Tirupati, Andhra Pradesh, India.

Dr. Ramadevi Gourineni	C/o. Mr. Ramachandra N Galla Amara Raja Batteries Limited "Giridrusya:, Renigunta – Cuddapah Road, Karakamdi -517520 Tirupati, Andhra Pradesh, India.
Dr. Prasad V Gourineni	C/o. Mr. Ramachandra N Galla Amara Raja Batteries Limited "Giridrusya:, Renigunta – Cuddapah Road, Karakamdi -517520 Tirupati, Andhra Pradesh, India.
Mr. G Balakrishnama Naidu	C/o. Mr. Ramachandra N Galla Amara Raja Batteries Limited "Giridrusya:, Renigunta – Cuddapah Road, Karakamdi -517520 Tirupati, Andhra Pradesh, India.
M/s. Harsha Electronics Pvt. Ltd., (Represented by Mr. Ramachandra N Galla)	C/o. Mr. Ramachandra N Galla Amara Raja Batteries Limited "Giridrusya:, Renigunta – Cuddapah Road, Karakamdi -517520 Tirupati, Andhra Pradesh, India.
M/s. Mangal Electro Systems Pvt. Ltd., (Represented by Mr. Ramachandra N Galla) (As amended on 30.07.1998)	C/o. Mr. Ramachandra N Galla Amara Raja Batteries Limited "Giridrusya:, Renigunta – Cuddapah Road, Karakamdi -517520 Tirupati, Andhra Pradesh, India.

- u. 'JCI' means Johnson Controls Inc, USA, registered under the laws of the State of the Wisconsin, USA including Johnson Controls Battery Group INC., Johnson Controls Mauritius Private Limited and all other subsidiaries and associate Companies of Johnson Controls Inc., who have executed a technical assistance and license agreement with the Company and holding Equity Shares of the Company allotted by way of preferential issue, and in agreement with the Company/Galla Family. (inserted on 22.10.1997)
- v. 'The Depositories Act' means Depositories Act, 1996 and shall include any statutory modification(s) or re-enactment thereof for the time being in force (Inserted on 09.08.2000)
- w. The Depository means Depository as defined in Clause (e) of sub-section (2) of Section 2 of the Depositories Act, 1996 as may be amended from time to time being in force (Inserted on 09.8.2000)
- x. The 'Beneficial Owner' means the beneficial owner as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996 (Inserted on 09.08.2000)

COMMENCEMENT OF BUSINESS

- 3. The Company shall commence business or exercise any borrowing powers only after the requirements of Section 149 of the Act, shall have been complied with.

4. Except as provided by Section 77 of the Act, no parts of the funds of the Company shall be employed in the purchase of the shares of the Company and the Company shall not give, whether directly or indirectly and whether by means of Loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with the purchase of or subscription made or to be made by any person of or for any shares in the Company.
5. The Authorised Share Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crore only) divided into 20,00,00,000 (Twenty Crore only) Equity Shares of Re. 1/- (Rupee one only) each. (As amended by the shareholders at the 27th annual general meeting of the Company held on August 14,2012.)
6.
 - a. The Board may, at its discretion, convert the unissued Equity Shares into Preference Shares or 'Redeemable Preference Shares and vice versa and the Board may issue any part of the unissued shares upon such terms and conditions and with such privileges annexed thereto as the Board at its discretion and subject to the provisions of Section 86 of the Act thinks fit, and in particular may issue such shares with such preferential or qualified right to dividends and in the distribution of the assets of the Company as the Board may subject to the aforesaid Section determine.
 - b. The Board may, at its discretion issue any portion of the Preference Shares not already issued as Redeemable Preference Shares which are at the option of the Company liable to be redeemed and subject to the provisions of the Section 80 of the Act, on such terms as to dividends preferential payment or return of the amount paid there on and as to conditions and terms of redemption as the Directors may deem fit.
7. The Board shall duly comply with provisions of Section 75 of the Act, with regard to all allotment of shares from time to time.
8. The Board may, at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 81 of the Act and the following provisions namely:
 - a. Where the offer and allotment of such shares are made within two years from the date of incorporation of the Company or within one year from the first allotment of shares made after its incorporation, whichever is earlier, the Board shall be at liberty to offer the shares and allot the same to any person or persons at their discretion.
 - b. In respect of offers and allotments made subsequent to the date set out in the clause(a) above, the directors shall, subject to the provisions of Section 81 of the Act and of sub-clause (c) hereunder, observe the following conditions:
 - i. Such new shares shall be offered to the persons who at the date of the offer, are holders of the Equity shares of the Company, in proportion as nearly circumstances admit, the capitals paid up on those shares at the date.

- ii. The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer if not accepted will be deemed to have been declined.
 - iii. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person, and the notice referred to in clause (ii) above shall contain a statement of the right.
 - iv. After the expiry of the time specified in the notice aforesaid or earlier intimation from the person to whom such notice is given that he declines to accept the share offered, the Board may dispose of them in such a manner as it thinks most beneficial to the Company.
- c. The Directors may with the sanction of the Company in General Meeting offer and allot shares to any person at their discretion provided that such sanction is accorded either by :
- i. A special resolution passed at any General Meeting or
 - ii. By an ordinary resolution passed at a General Meeting by majority of the votes cast and with the approval of the Central Government in accordance with Section 81 of the Act.

Nothing in this clause shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to debentures issued or loans raised by the Company:

- 1. To convert such debentures or loans into shares in the Company or
- 2. To subscribe for shares in the Company

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term.

- a. Has been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loan and also
- b. Either has been approved by the Central Government before the issue of the debentures on the raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

Option or right to call off shares shall not be given to any person except with the sanction of the Company in General Meeting.

9. In addition to and without derogating from the powers for the purpose conferred on the Board under Article 8 the Company in General Meeting may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at part or (subject to compliance with provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine and with full power to give to any person (whether a member or holder of debentures of the

Company or not) the option to call for (or) be allotted shares of any class of the Company either at a premium (or) at par (or) subject to compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

10. The rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 106 and 107 of the Act be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply, except that the necessary quorum shall be two persons atleast holding or representing by proxy one-tenths of the issued shares of that class.
11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided for by the terms of issue of the shares of that class, be deemed to be varied by creation or issue of further shares ranking *pari passu* therewith.
12. The Company shall not issue any shares, not being Preference Shares, which carry voting rights or right in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being preference shares.
13.
 - a. Subject to Section 76 of the Act the Company may at any time pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for shares, debentures or debenture stock of the Company but so that the statutory conditions and requirements shall be observed and complied with the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures the rate of commission shall not exceed two and a half percent of the price at which debentures are issued.
 - b. The Company also, on any issue, pay such brokerage as may be lawful.
14.
 - a. The Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property sold or transferred, goods or machinery and appliances supplied, or for services rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares which may be so allotted, may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid up shares.
 - b. The said power vested in the Board by this Article shall not be exercised except by the unanimous consent of all the Directors or with the previous sanction of a special resolution passed at a General Meeting of the Company.

15. Where two or more persons are registered as joint holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions.
- a. The person whose name stands first on the register in respect of such shares shall alone be entitled to delivery of certificate thereof.
 - b. Any one of such persons may give effectual receipts for any dividend, bonus or return of capital payable in respect of such share, and such joint holders shall be severally, as well as jointly liable for payment on all installments and calls due in respect of such share/shares.
 - c. Any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto, and if more than one such joint holders be present at any meeting personally or by proxy, that one of the said person so present whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof. Several executor's or administrators of a deceased member in whose names any share stands shall for the purpose of this article, be deemed joint holders, thereof.
 - d. In case of death of any one or more of such Jointholders, the survivors shall be the only person or persons recognised by the Company as having any title to or interest in such share, but the Directors may require such evidence of death, as they deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
 - e. All notices directed to be given to the members shall be given to the person whose name registered first in the register and notice so given shall be sufficient notice to all holders of such shares.

SHARE CERTIFICATES

16. Every Certificate of title to shares shall be issued under the seal of the Company. Every share certificate and every document of title to the shares whether in renewal of an existing share certificate or other document of title or issued for the first time shall be issued, under the authority of the Board of Directors and in accordance with provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any modification thereof and in accordance with the provisions of Law or other rule having the force of law applicable thereto.

SHARE & DEBENTURE CERTICATES

- 17.
- 1) Every person who name is entered as a members in the Register shall be entitled to receive without payment:
 - a) One share certificate for all his shares; or
 - b) Where the shares so allotted at any one time exceed the number of shares fixed as marketable lot in accordance with the usages of the Stock Exchanges or at the request of the shareholder, several certificates one each per marketable lot and one for the balance.

- 2) The Company shall within two months after the allotment or within one month after application for the registration of the transfer of any shares or debentures complete and have ready for delivery, the certificates for all shares debentures so allotted or transferred unless the conditions of issue of the said shares or debentures otherwise provide.
 - 3) Every certificate shall be under the seal and shall specify the shares or debentures to which it relates and the amount paid up thereon.
 - 4) The provisions of clauses (2) and (3) above shall apply mutatis mutandis to debentures and debenture stock allotted or transferred.
 - 5) No Fees shall be charges for the issue of a new share certificate or for consolidation of several share certificates into one or for issue of fresh share certificates in lieu of share certificates on the back of which there is no scope for endorsement for transfer or for registration of any probate, letters of Administration, Succession Certificate or like documents, or for registration of any Power of Attorney, Partnership Deed, Memorandum and Articles of the Company or other similar documents.
18. In respect of any share held jointly by several persons, the company shall not be bound to issue more than one certificate for the same share and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid the joint holders shall be entitled to apply for several certificates each for one or more shares held them in accordance with Article 17 above.
19. In respect of any transfer of shares registered in accordance with the provision of these Articles the Board may, at their discretion direct an endorsement of the transfer and the name of the transferee and other particulars, on the existing share certificate and authorise any Director or Officer or Officer(s) of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share-certificate, in lieu of and in cancellation of existing certificate, in the name of the transferee.
20. If a Certificate be worn out, defaced, destroyed or lost or if there is no further space on the face thereof for endorsement of transfer, it shall if requested be replaced by a new certificate free of charge provided however that such new certificate shall not be granted except upon delivery of the worn-out or defaced or used up certificate for the purpose of cancellation, in accordance with the Companies (Issue of Share Certificates) Rules, 1960 or upon proof of destruction or loss, and on such indemnity as the Board may require in the case of the certificate having been destroyed or lost any duplicate certificate shall be marked as such.
21. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (Whether presently payable or nor) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and the condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect such shares. Unless otherwise agreed, the registration of transfer of share shall operate as a waiver of Company's lien, if any on such shares. The Directors may, at any time, declare any shares wholly or in part to be exempt from the provision of this Clause.

22. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such a manner as they think fit but no sale shall be made until the expiration of 14 days after a notice in writing, stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holder of the shares for the time being, or to the person entitled to the shares by reason of the death or insolvency of the registered holder.
23. To give effect to such sale, the Board of Directors may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity of the proceedings in reference to the sale.
24.
 - a. The net proceeds of any such sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
 - b. The residue if any, shall subject to like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the Sale.
25. Any money due from the Company to a shareholder, may without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person to the Company in respect of calls or otherwise.

CALLS ON SHARES

26. Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the members in respect of all monies 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 calls so made on him to the persons and at the date, time and place or at the dates times and place appointed by the Board of Directors.
27. The Board of Directors, may when making a call by resolution, determine the date on which such call, shall be deemed to have been made not being earlier than the date of resolution making such call, and there upon the call shall be deemed have been made on the date so determined and if no such date is fixed the call shall be deemed to have been made on the date on which the resolution of the Board making the call was passed.
28. Not less than thirty days notice of any call shall be given specifying the date, time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof. There should be atleast one month gap between two calls.
29. If by the terms of issue of any shares or otherwise any amount is made payable at any fixed date or by instalment at fixed dates whether on account 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 calls shall relate to such amount or installment accordingly.

- 30.
- a. If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at such rate fixed by the Board of Directors from the day appointed for the payment thereof to the time of the actual payment, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part.
 - b. The provisions of this article as to payment of interest shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed date, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
31. The Board of Directors may, if they think fit, receive from any member willing to advance the same all or any part of the monies uncalled and unpaid upon any share held by him, and upon all or any part of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding (without the sanction of the Company in General Meeting) 15 percent per annum as agreed upon between the member paying the sum in advance and the Board of Directors but shall not in respect of such advances confer a right to the dividend or to participate in profits or to any such voting rights.
32. Neither a judgment nor a decree in favour of the Company, for calls or other monies due in respect of any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member in respect of any share, either by way of principal or interest, nor the receipt by the Company of a portion of any money which shall from time to time, be due from any member in respect of any share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce of a forfeiture of such shares as hereinafter provided.
33. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the persons who for the time being and from time to time shall be registered holder of the share or his legal representative or representative if any.

TRANSFER & TRANSMISSION OF SHARES

- 34.
- a. The instrument of transfer of any shares in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the names of the transferee is entered in the register of members in respect thereof. The instrument of transfer shall be in respect of only one class of shares and should be in the form prescribed under Section 108 of the Act.

- b. The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate relating to the shares and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

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

- c. An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee
 - d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.
 - e. Nothing in clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.
 - f. Nothing in this Article shall prejudice the power of the Board of Directors to refuse to register of any shares to transferee, whether a member or not.
 - g. The transfer of shares interse between the Galla Family and JCI shall be in accordance with the Shareholders' Agreement dated December 2, 1997 (Inserted vide special resolution passed on 30.07.1998)
35. The shares in the Company shall be transferred by an instrument in writing in the prescribed form, duly stamped and in the manner provided under the provisions of Section 108 of the Act and any modification thereof and the rules prescribed thereunder.
- 36.
- a. Subject to the provisions of Section 111 of the Act, and Section 22(A) of the SCR Act, 1956 the Board may at anytime in their absolute discretion and without assigning any reasons whatsoever decline to register any transfer of or transmission by operation of law of the right to a share, whether fully paid up or not and whether the transferee is a member of the Company or not and may also decline to register any transfer of shares on which the Company has a lien.

Provided further that the registration of transfer shall not be refused on the ground of the transferor being alone or either jointly with any other person or persons indebted to the Company on carry account except a lien on the shares.

- b. If the Board refuses to register any transfer or transmission of right, they shall, within one month, from the date on which the instrument of transfer or the intimation of such transmission was delivered to the Company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be.
 - c. In case of such refusal by the Board, the decision of the Board shall be subject to the right to appeal conferred by Section 111, of the Act and Section 22 (A) of SCR Act.
 - d. The provisions of this clause shall apply to transfer of stocks also.
37. The Board of Directors may also decline to recognize any instrument of transfer unless:
- a. The instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of the transferor to make the transfer; and
 - b. The instrument of transfer is in respect of only one class of shares.
- 38.
- a. Every endorsement upon the certificate of any share in favour of any transferees shall be signed by the Managing Director or by some other person for the time being duly authorised by Managing Director in this behalf. In case any transferee of a share shall apply for a new certificate in lieu of old or existing certificate he shall be entitled to receive a new certificate in respect of which the said transfer has been applied for and upon his delivering upto be canceled every old or existing certificate which is to be replaced by a new one.
 - b. Notwithstanding any other provisions to the contrary in these presents, no fees shall be charged for any of the following viz.,
 - i. For registration of transfers and debentures, or for transmission of shares and debentured;
 - ii. For sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading.
 - iii. For sub-division of renounceable Letter of Right.
 - iv. For issue of certificates in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilized.,

- v. For registration of any Power of Attorney, probate, letter of administration or similar other documents.
39. The Company shall cause to be kept a Register and Index of members in accordance with Section 150 and 151 of the Act and the Depositories Act, 1996 with the details given of shares kept in physical mode and/or dematerialised form in any medium as may be prescribed by the law including any form of electronic media (As amended on 09.08.2000)
40. The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of 6 years or more.
41. The Board of Directors may after giving not less than 30 days previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situated close the Register of members or the Register of Debentures holder for any period or periods not exceeding the aggregate 45 days in each year but not exceeding 30 days at any one time.
- 42.
- a. The Executors or Administrators of a deceased member (not being one several joint holders) shall be persons recognised by the Company, as having any title to the shares registered in the name of such member and in the case of death of any one or more of the joint holders of any registered shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares.
- Provided that if the member should have been a member of a joint Hindu Family the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belong to the joint family may recognize the survivors of the Kartha thereof as having title to the shares registered in the name of such members. Provided further in any case it shall be lawful for the Board in the absolute discretion to dispense with the production of probate or letters of administration or other legal representation upon such terms as to indemnity or otherwise as the Board may deem just.
- b. Nothing in clause (a) shall release the estate of a deceased joint holder from any liability in respect of any shares which were jointly held by him with other persons.
- 43.
- a. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject hereinafter provided, elect either,
 - i. To be registered himself as holder of the shares or
 - ii. To make such transfer of the share as deceased or insolvent member could have made

- b. The Board shall, in either case, have the same right to decline or suspend registration as they would have, if the deceased or insolvent member had transferred the shares before his death or insolvency.
- c. The Company shall be entitled to dematerialise its existing shares, rematerialize its shares held in the Depositories and/ or to offer further shares, and/or other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder (inserted on 09.08.2000)

DEVOLUTION OF RIGHTS

44.

- a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing stating that he so elected.
- b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- c. All the limitation, restrictions and provisions of these regulations to the rights of transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
- d. A person becoming entitled to share by reason of the death or insolvency of the holder shall be entitled if he were the registered holder of the share except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board, may at any time, give notice requiring any such person to elect either to be registered himself or transfer the share, and if the notice is not complied with, within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of share, until the requirements of the notice have been complied with.

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

46. If a member fails to pay any call or instalment of a call on the day appointed for the payment thereof, the Board of directors may at any time thereafter during such times as any part of such a call or instalment unpaid serve a notice on him requiring payment of so much of the call or instalment as unpaid, together with any interest, which may have accrued.

47. The notice shall name a further day (not earlier than the expiry of fourteen days from the date of service of notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day named, the shares, in respect of which the call was made will be liable to be forfeited.
48. If the requirements of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board of Directors to that effect, such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.
49. A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board of Directors may think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board of Directors may think fit.
50. A 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 and shall forthwith pay the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company received payment in full or the nominal amount of share whether legal proceeding for the same had been barred by limitation or not.
51. A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and that declaration and receipt of the company for the consideration, if any given for the shares on the sale or disposition thereof, disposed off shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money(if any) nor shall his title to the share be affected by way of irregularity or invalidity in the proceeding in reference of the forfeiture, sale or disposal of the share.
52. The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium or other wise as if the same had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

53. The Company may, by ordinary resolution convert all or any of its fully paid up shares of any denomination into stock and vice versa.
54. The holders of stock may transfer the same or any part thereof in the same manner, as and subject to the same regulations under which, the shares from which the stock arose might before

the conversion have been transferred, or a near thereto as circumstances admit. Provided that the Board may, from time to time fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

55. The holders of stock shall according to the amount of stock held by them, have the same rights privileges and advantages as regards dividends, voting at meetings of the Company, and other matters as if they held the shares from which the stock arose; but not such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
56. Such of the regulations contained in these presents (other than those relating to the share warrants) as are applicable to paid up shares shall apply to stock the words 'share' and 'shareholder' shall include 'stock' and 'stock-holder' respectively.

ALTERATION OF CAPITAL

57. The Company may, from time to time, but subject to the provisions of Section 94 of the Act, alter the conditions of its Memorandum as follows:
 - a. Increase its share capital by such amount as its think expedient, by issuing new shares.
 - b. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - c. Convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denominations
 - d. Subdivide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount, if any unpaid on each reduced share shall be the same as it was in the case of other share from which the reduced share is derived.
 - e. Cancel any 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 shares so cancelled.
 - f. The resolution where by any share is subdivided 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.
58. The new shares shall be subject to the same provisions with reference ot the payment of calls, lien, transfer , transmission, forfeiture and otherwise as the shares in the original share capital.
59. The Company may, by special resolution, reduce in any manner and with and subject to, any incident authorised and consent required by law;

- a. Its share capital
- b. Any capital redemption reserve or
- c. Any share premium account

SHARE WARRANTS

60.

- a. The Company may issue share warrants subject to and in accordance with the provisions of the Section 114 and 115 of the Act and accordingly, the Board may at their discretion, with respect to any share registered as fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence, if any, as the Board may, from time to time, require as to identity of the person signing the application and on receiving the certificate if any of the shares, and the amount of the stamp duty on the warrant and such fees as the Board may from time to time prescribe issue share warrant and may provide by coupons or otherwise for the payments of the future dividends on the shares specified in the share warrant
- b. A share warrant shall entitle the bearer to the shares included in and the share shall be transferred by the delivery of the share warrant and the provisions of the Article of the Company with respect of transfer and transmission of shares shall not apply thereto.
- c. The bearer of share warrant shall, on surrender of the warrant of the Company for cancellation and on payment of such fee as the Board may from time to time prescribe, be entitled to have his name entered as a member in the Register of Members in respect of the shares included in the warrant.

61.

- a. The bearer of a share warrant may at anytime deposit the warrant at the Registered Office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of the two clear dates from the time of deposit as if his name was inserted in the Register of Members as the holder of the shares included in the deposit warrant.
- b. Not more than one person shall be recognised as depositor of the share warrant.
- c. The Company shall, on two days written notice, return the deposited share warrant to the depositor.

62.

- a. Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

b. The bearer of a share warrant shall be entitled in all other respects the same privileges and advantages as if he was named in the Register of members as the holder of the shares included in the warrant and he shall be a member of the Company.

63. The Board, may from time to time, may rules as to the terms on which if they shall think fit, a new warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original warrant or coupon.

GENERAL MEETING

64. The Company shall in addition to other meeting hold a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions specified below:

a. Annual General meeting of the Company shall be held once in every calendar year within 6 months after the expiry of each financial year subject however to the Register of Companies to extend the time within which such a meeting can be held of a period not exceeding 3 months and subject thereto not more than fifteen months shall elapse from the date of one annual general meeting and that of the next.

b. Every Annual General Meeting shall be called for at a time during the business hours on a day which is not public holding and shall be held either at the Registered Office of the Company or at some other place within the city town or village in which the Registered Office of the Company is situated.

c. Notice calling such meeting shall specify them as the Annual General Meeting.

d. All other meetings shall be referred to as Extra-Ordinary General Meetings.

65. The Board of Directors may whenever they think fit, convene an Extraordinary General Meeting at such time and at such places they deem fir, subject to such directions if any, given by the Board, the Managing Director or the Secretary may convene an Extra-ordinary General Meeting.

66.

a. The Board of Directors shall, on the requisition of such number of members of the company as specified below, proceed duly to call an extraordinary general meeting of the company and comply with the provisions of the Act in relation to meetings on requisition.

b. 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 or sent to the company be registered post addressed to the Company at its Registered Office.

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

d. The number of members entitled to requisition a meeting in regard to any matter shall be

such number of them as hold at the date of the deposit or dispatch to the Registered Office of the requisition, not less than one-tenth of such of the paid-up capital of the company as at that date carries the right of voting in regard to that matter set out in the requisition.

- e. If the Board of Directors does not, within twenty-one days from the date of the deposit of requisition with regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the company as is referred to in sub-clause (d) above

67. A general meeting of a company may be called by giving not less than twenty-one days' notice in writing provided that a general meeting may be called after giving shorter notice if consent thereto is accorded thereto in the case of an annual general meeting, by all the members entitled to vote thereat ; and in the case of any other meeting, by members of the company holding, if the company has a share capital, not less than 95 per cent of such part of that part of the paid-up share capital of the company which gives a right to vote on the matters to be considered at the meeting, provided that there any members of the Company are 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 purpose of this Article in respect for the former resolution or resolutions and not in respect of the latter

68. 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.

69.

- a. All business shall be deemed special that is transacted at an Extra-ordinary general Meeting and also that is transacted at the Annual General Meeting with the exception of business relating to
 - (i) the consideration of the Accounts, Balance Sheet and the reports of the Board of directors and auditors
 - (ii) the declaration of a dividend
 - (iii) the appointment of directors in the place of those retiring, and
 - (iv) the appointment of and the fixing of the remuneration of the auditors ; and
- b. 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 particular the nature of the concern or interest, if any, therein, of every director, and the Managing Director if any where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the company relates to, or affects, any other company, the extent of shareholding interest

in that other company of every director and the Managing Director of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty per cent of the paid-up share capital of that other company.

PROCEEDINGS AT GENERAL MEETINGS

70. Five members personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the business.
71. If within half an hour from the time appointed for holding the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, the meeting shall stand adjourned to the same day in the next second week at the same time and place, or to such other day and at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum. (As amended on 22.10.1997)
72. The chairman, if any, of the Board shall preside as chairman at every general meeting of the company.
73. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman, the Directors present shall choose another Director as Chairman and if no Directors be present or if all the Directors decline to take the Chair then the members present shall choose someone of their number to be Chairman.
74. The Chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourn meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be case of original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting
75. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of section 179 of the Act. Unless a poll is so demanded, a declaration by the chairman that a resolution, on a show of hands, been carried, or has or has not been carried either unanimously or by a particular majority of lost and an entry to that effect in the book containing the minutes of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against that resolution.
76. If a poll is duly demanded in accordance with the provisions of Section 179, it shall be taken in such a manner as the Chairman in accordance with the provisions of Section 184 and 185 of the Act direct and the results of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.

77. In case of any equality of votes, the Chairman shall not have a casting vote in addition to vote or votes to which he may be entitled to as a member, both on show of hands on a poll (As amended on 30.07.1998)
78. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than 48 hours from the time when demand was made, as the Chairman may direct.

VOTE OF MEMBERS

- 79.
- a. Every member holding any equity shares shall have a right to vote in respect of such shares on every resolution placed before the meeting. On a show of hands every such member present in person shall have one vote. On a poll, his voting right in respect of his equity shares shall be in proportion to his share of the paid-up capital in respect of the equity shares.
 - b. In the event of the Company issuing any preference shares the holder of such preference shares shall the voting set out in that behalf in Section 87 of the Act.
80. A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person who made the demand.
81. In the case of joint holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
82. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll vote by proxy.
83. No member shall be entitled to vote in any General Meeting unless all calls or other sums presently payable by him in respect of his shares in the company have been paid.
84. On a poll, votes may be given either personally or by proxy.
85. Any member entitled to attend an vote at a meeting of the Company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not unless he be a member have any right to speak at the meeting and shall not be entitled to vote except on poll.
- 86.
- a. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation either under the

common seal or under the hand of an officer or attorney so authorised. Any person may act as proxy whether he is a member or not.

- b. A Corporate Body (whether a company within the meaning of the Act or not) may, if it is a member or a creditor or a debenture holder of the Company, by the resolution of its Board of Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any creditors of the Company held in pursuance of the provisions contained in any Debenture or Trust Deed as the case may be. The person so authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as that body could exercise if it were an individual member, creditors or holder of debentures of the Company.
 - c. So long as an authorisation under clause (b) above is in force, the power to appoint proxy shall be exercised by the person so appointed as representative.
87. The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or notarially certified copy of that power or authority, shall be deposited at the Registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
88. A Vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or the revocation of the proxy or the transfer of the share in respect of which the proxy is given. Provided that no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.
89. Every instrument appointing a proxy shall be retained by the Company and shall be in either of the forms specified in Schedule IX of the Act or a form as near thereto as circumstances will admit.
90. Subject to the provisions of the Companies Act, 1956, the Chairman of a General Meeting shall be the sole and absolute judge of the validity of every vote tendered at such meeting or at a poll demanded at such meeting and may allow or disallow any vote tendered, according as he shall be of opinion that the same is or is not valid

DIRECTORS

91. Unless otherwise determined by a General Meeting the number of Directors shall not less than three and not more than twelve, including all kinds of Directors.
92. The persons herein after named shall become and be the Directors of the Company as on the date of adoption of the Articles.

Sri. B R Naidu	Sri. M G G Naidu
Sri. Ramachandra N Galla	Dr. Upendranath Nimmagadda
Smt. Amara Kumari Galla	Dr. Ch Satyananda Sinha
Sr. G Balakrishna Naidu	Sri. N Masthan Choudary (Alternate Director to T H Chowdary)
Sri U V Warlu	Sri. V R Rao (Alternate Director to Dr. Upendranath Nimmagadda)
Sri. T H Chowdary	Sri. V G K Prasad (Alternate Director to Dr. Ch Satyananda Sinha)

93. Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.
94. Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.
95. The Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum number fixed. An Additional Director shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at the meeting.
96. The Board of directors may appoint an alternate director to act for a director (hereinafter in this section called "the original director") during the absence of the Original Director for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An alternate director so appointed shall vacate office if and when the Original Director returns to the State in which meetings of the Board are ordinarily held. 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.

Provided that Galla Family and JCI shall be entitled to appoint one or more alternate director(s) to act for any director (original Director) during his absence. In such case, the party nominating

any alternate director shall also have the right to withdraw its nominated director and appoint another in his place at any time. (As amended on 30.07.1998)

97. As long as the following institutions hold any equity shares in the Company and/or loans given by them to the Company are outstanding, financial institutions such as Industrial Development Bank of India, Industrial Credit and Investment Corporation of India, Industrial Re-construction Bank of India, Life Insurance Corporation of India, General Insurance Corporation of India, Unit Trust of India, Andhra Pradesh Industrial Development Corporation, Andhra Pradesh State Financial Corporation, Andhra Pradesh Electronics Development corporation, ANRICH and/or any other institutions and/or banks, shall be entitled to appoint one or more persons as Director(s) on the Board of Directors of the Company, remove such Director(s) and also fill in any vacancy arising as a result of such person(s) ceasing to be Director(s) for any reason. The Director(s) so appointed under the foregoing provisions of this article shall not be obliged to hold any qualification shares and shall not be liable to retire by rotation.
98. Every Director (including the ex-officio Director) other than the Managing Director and the whole time Director) shall be paid a sitting fee for each meeting of the Board of Directors or of any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company to and from any place.
99. If any Director being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving special attention to the business of the Company or as a members of the Board, then subject to Section 198, 309, 310 and 314 the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
100. The continuing directors may act notwithstanding any vacancy in the Board ; but, if and so long as their number is reduced below three, the continuing directors or director may act for the purpose of increasing the number of directors to three or of summoning a general meeting of the company, but for no other purpose.
101. The office of a Director shall be vacated if:
 - a. he is found to be of unsound mind by a Court of competent jurisdiction ; or
 - b. he applies to be adjudicated or is adjudged as insolvent ; or
 - c. he fails to pay dues made on him in respect of shares held by him within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure
 - d. he is convicted by a Court of any offence involving moral turpitude and sentence in respect thereof to imprisonment for not less than six months ;
 - e. he absents himself from three consecutive meetings of the Board of directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board ;

- f. he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the company in contravention of section 295 ;
- g. he acts in contravention of section 299;
- h. he becomes disqualified by an order of Court under section 203 ;
- i. he is removed in pursuance of section 284 ; or
- j. having been appointed a director by virtue of his holding any office or other employment in the company, he ceases to hold such office or other employment in the company

Provided that notwithstanding anything in clauses (b), (d) and (h) above), the disqualification referred to in those clauses shall not take effect -

(a) for thirty days from the date of the adjudication, sentence or order ;

(b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of ; or

(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction, or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

102.

- a. Subject to the provisions of the Act, the Directors including the Managing Director, if any shall not be disqualified by reason of their office, as such from contracting with the Company, either as vendor, purchaser, lender, agent, broker or otherwise nor shall any contract or arrangement entered into by or on behalf of the Company with any Director or the Managing Director or with any Company or Partnership in which any Director or the Managing Director shall be a member or otherwise interested be avoided nor shall any Director or the Managing Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director or the Managing Director holding that office or of the judiciary relation thereby establish but the nature of the interest must be disclosed by him or them at the meeting of the Board at which the contract or arrangement is determined on, if the interest in them exists or in any other case at the meeting of the Board after the acquisition of the interest.

Provided nevertheless than no Director shall take part in the discussion of or vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so, his vote shall not be counted but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present.

The provisions shall not apply to any contract by or on behalf of the Company to give to the Directors or the Managing Director (s) or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming or being sureties for the Company or to any contract or arrangement entered into or to be entered into with a

Public Company, or a Private Company which is a subsidiary of a Public Company, in which the interest of the Director aforesaid consists solely in his being a Director of such Company and the holder of not more than share of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company or in his being a member holding not more than 20% of its paid up share capital.

- b. A general notice that any Director is a Director or a member of any specified Company or is a member of any specified Firm and is to be regarded as interested in any subsequent transaction with such company or firm shall, as regards any such transaction, be sufficient under this Article and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such Company or Firm.
- c. A Director may be or become, a Director or member of any company promoted by this Company or in which this Company may be interested as Vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such Company.

103. Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION OF DIRECTORS

104. The term ex-officio Directors wherever occurring in these presents shall mean and include the Managing Director(s) appointed under Article 140 below and the Ex-officio Directors declared under Article 112, promoter Directors declared under Article 104b below and to any Director appointed in pursuance of Article 135 below and referred to as nominated Director.

105. Not less than one-thirds of the total number of Directors of the Company for the time being holding office shall be Directors whose period of office is liable to be determined by retirement by rotation and who shall be appointed by the Company in General Meeting.

106. A retiring Director shall be eligible for re-election and the Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

107. The directors to retire in every years shall be those who have been longest in office since their last election, but as between persons who became directors on the same day, those who are to retire shall, unless they otherwise agree among themselves, be determined by lot.

108. Subject to the provisions of Section 256 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Directors is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next 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, the place of the retiring director is not filled up and that meeting also has not

expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting.

109. Subject to the provisions of sections 252, 255 and 259, a company in general meeting may, by ordinary resolution, increase or reduce the number of its directors within the limits fixed by Article 91.
110. Subject to the provisions of Section 284 of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person instead, the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.
111. A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other members intending to propose him as a Director not less than 14 days before the meeting has left at the office of the Company a notice in writing under his hand signifying his candidature for that office as the case may be.
112. The Company in General Meeting may when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall be liable to be determined by retirement by rotation except that of Managing Director or until the happening of such event or contingency as the Board may specify and there upon such Director shall not be liable for retirement by rotation but shall hold office for the period or until the happening of any event or contingency set out in the said resolution. Such Director shall hereinafter be referred to as "Ex-Officio Director"

PROCEEDINGS OF THE DIRECTORS

113.
 - 1) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that atleast four such meetings shall be held in every year.
 - 2) The Managing Director may at any time summon a meeting of the Board and the Managing Director or Secretary on the requisition of a Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and his usual address in India to every other Director. In respect of Directors residing abroad, a Notice of the meeting shall be served on such Director by fax/ post at their usual address in the concerned country at least 14 days piror to the date of the meeting. (As amended on 30-7-1998)
114. The quorum for a meeting of the Board shall be one-third of the total strength(any fraction contained in that one-third being rounded off as one) or three Directors whichever is higher provided that where at any time the number of interested Directors is equal to or exceeds two-third of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding offices as Directors on the date of the resolution or meeting, that is to say the total strength of

Board after deducting there from the number of Directors, if any, whose places are vacant at that time. (As amended on 30-7-1998)

Provided that, there shall be no quorum at a Board Meeting unless atleast one (1) Director of each of Galla Family and JCI is present, provided further that such quorum requirement may be waived by any party in writing for any particular meeting of the Board. If within half an hour from the time fixed for holding a meeting of the Board, a quorum as specified above is not present, the meeting shall stand adjourned to the same day, time and place by two weeks unless otherwise agreed upon by the parties concerned, and if at such adjourned meeting of the Board the quorum as stated herein is not present within half an hour from the time fixed for holding the meeting, the Directors present shall constitute a valid quorum. (Inserted on 22-10-1997)

The Directors not present in India may participate in the Board meetings through telephone or Video conferencing. (Inserted on 30-7-1998)

115.
 - 1) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
 - 2) Each director present and voting at a meeting of the Board of Directors shall have once (1) vote. Alternate Directors present shall have one (1) vote for each directors for whom they are alternates. (Inserted on 30-7-1998)
 - 3) In case of equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director. (As amended on 30-7-1998)
- 4) In the event any matter listed in Article No.124A has been considered by the Board of Directors and no resolution is passed in two successive meetings of the Board where a valid quorum is present, a deadlock shall be deemed to have occurred with respect to that matter. The Galla Family and JCI shall strive to avoid any deadlock in decisions to be made by Board of Directors. However, in the event of any deadlock, the deadlock matter shall be referred to arbitration in accordance with the agreement entered between Galla Family and JCI. The scope of such arbitration shall be to assess the genuineness of the deadlock and whether the parties are acting in good faith. In the event the arbitrators find the deadlock being not genuine, the party identified as non-defaulter in such arbitration shall have the right to take decision on the subject matter on which the deadlock has arisen, and the defaulter shall have the option of being bound by such decision or to exit in accordance with the agreement entered between Galla Family and JCI. If the deadlock is found to be genuine, the parties shall mutually discuss and attempt to resolve the deadlock by arriving at a mutually acceptable decision. (Inserted on 30-7-1998)
116. The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.
117.
 - 1) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

- 2) If no such Chairman is elected, or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of that meeting.
 - 3) The Chairman of the Board shall be nominated by the Galla Family from within the Board of Directors. Mr. Ramachandra N.Galla shall be the chairman of the board and continue to serve so as long as he is on the Board Directors, notwithstanding his holding office of the Managing Director of the Company. (Inserted on 22-10-1997)
118. 1) The Board may subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- 2) Any Committee so formed shall, in the exercise of the power so delegated, conform to any regulations that may be imposed on it by the Board.
 - 3) The Board shall constitute a management committee ("Management Committee") consisting of two (2) representatives each of Galla Family and JCI and the Chief Financial Officer of the company. The Chief Financial Officer shall not have any vote in the Management Committee. The Management Committee shall be responsible to the Board of Directors and shall meet in person or through telephone, telefax or such other means of communication at least once in a quarter.

The following decisions relating to the Company shall be taken by the Management Committee by the majority consent of the members. (As amended on 30-7-1998)

- a) Recommendations to the Board of business plans (operating & capital expenditures) and budgets (operating & capital expenditures) specifically delineating capital expenditure, research and development expenses, employee benefits in excess of legal requirements.
- b) Review performance against operating budgets and initiate action plans.
- c) Recommendations to the Board on acquisitions, amalgamations, mergers, diversitures by the company and entering into new ventures by the company whether through Joint Ventures or otherwise and diversification of the Company business lines;
- d) Approval of unplanned/unbudgeted capital expenditure in excess of Rs.25 lakhs but not exceeding Rs.100 lakhs;
- e) Approval of planned capital expenditures in excess of Rs.100 lakhs;
- f) Approval of investment and allocation of surplus funds;
- g) All matters involving the Company's relationship with all Automotive (SLI) and UPS OEM Customers in India and outside of India with regard to the product specifications, price and other terms & conditions of trade in respect of the products manufactured or distributed by the Company.
- h) Approval of all short term loan borrowings and other financial guarantees by the Company. (Inserted on 30-7-1998)
- i) Approval of any transaction between the Company and any other Company in which the Gall Family has interest including Amara Raja Power Systems (P) Ltd.' Harsha Electronics (P) Ltd. And Mangal Electro Systems (P) Ltd. (Inserted on 30-7-1998)

To provide the right to JCI to manage the Company's relationship with automotive (SLI) and UPS OEM customers in and outside of India. JCI shall be entitled to nominate one of its

directors to the Board of the Company, to be in-charge of the said OEM relationships. Such directors shall be a member of the management committee. All strategies and guidelines relating to Company's relationship with automotive (SLI) and UPS OEM customers shall be taken with his consent. (Inserted on 30-7-1998)

The Galla Family and JCI should undertake to use their best efforts to provide the Management Committee with all necessary information relating to the above at least 5 business days prior to the meeting of the Management Committee expect in situations where it is not possible to do so. In any event, none of the above shall be executed without prior notice to the Management Committee. (Inserted on 22-10-1997)

119.
 - 1) If the Chairman of the Board is a member of the Committee, he shall preside over all meetings of the Committee. If the Chairman is not a member thereof, the Committee may elect a chairman of its meeting. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be the Chairman of the Meeting.
 - 2) The quorum of a committee may be fixed by the Board of Directors and until so fixed if the Committee is of single member or of two members, shall be one and if more than two members shall be two.
120.
 - 1) A Committee may meet and adjourn as it thinks proper.
 - 2) Questions arising at any meeting of the Committee shall be determined by the sole member of the committee or by a majority of vote from the members present and in case of any equality of vote, the chairman shall not have a second or casting vote in addition to his vote as a member of the Committee. (As amended on 30-7-1998)
121. All acts done by any meeting of the Board or of a Committee thereof or by person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if even such Director or such person had been duly appointed and was qualified to be a Director.
122. Save as otherwise expressly provided in the Act, resolution in writing circulated in draft together with the relevant papers, if any, to all the directors or to all the members of the Board then in India, not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be, and to all other directors or members at their usual address in India and in respect of directors residing abroad, by fax at their usual address in India and in respect of directors residing abroad, by fax at their usual address in the concerned country and approved by such of the directors as are then in India and abroad or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at the meeting of the Board of Committee duly convened and held.

Provided that if the Circular resolution related to any item listed in Article No.124A, the vote of majority shall include atleast one (1) affirmative vote of a Director nominated by Galla Family and at least one (1) affirmative vote of a Director by JCI. (As amended on 30-7-1998)

POWERS & DUTIES OF DIRECTORS

123. The business of the Company shall be managed by the Board of Directors, who may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these presents, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these presents, to the provisions of the Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting but no regulation made by Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
124. Without prejudice to the generality of the foregoing, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power,
- 1) To carry on and transact the several kinds of business specified in clause III of the Memorandum of Association of the Company.
 - 2) Subject to the Banking Regulation Act of 1949, to draw, accept endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, Government Promissory notes, other Government instruments, bonds, debentures or debenture-stocks of Corporation, Local Bodies, Port Trusts, Improvement Trust or other Corporate Bodies and to execute transfer deeds for transferring stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.
 - 3) At their discretion, to pay for any property rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures, or other securities may be either specially charged upon all or any of the property of the Company or not so charged.
 - 4) To engage and at their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, cashiers, agents, commission agents, dealers, brokers, foremen, servants, employees of every description and to employ such professional or technical or skilled assistants as from time to time may in their option be necessary or advisable in the interest of the Company and upon such terms as to duration of employment, remuneration or otherwise and may be required security in such instances and to such amounts as the Directors think fit.
 - 5) To accept from any member, on such terms and conditions as shall be agreed, surrender of his shares of any part thereof.
 - 6) To secure the fulfillment of any contracts of agreements entered into by the Company, by mortgage or charge of all or any of the property of the Company or in such other manner as they may think fit.

- 7) To institute, conduct, defend, compound or abandon any actions, suits and legal proceedings, by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or subject to arbitration the same actions, suits and legal proceedings.
- 8) To make and give receipts, release and other discharges for money payable to the Company and for the claims and demands of the Company.
- 9) To determine who shall be entitled to sign on the Company's behalf bills of exchange, promotes, dividend warrants,, cheques and other negotiable instruments, receipts, acceptance, endorsements, releases, contracts, deeds and documents.
- 10) From time to time to regulate the affairs of the Company abroad in such a manner as they think fit in particular to appoint any person to be the attorneys or agents of the Company either abroad or in India with such powers including powers to sub-delegate and upon such terms as may be thought fit.
- 11) To invest and deal with any monies of the Company not immediately required for the purposes thereof upon such securities as they think fit.
- 12) To execute in the name and on behalf of the favour any Director or other person who may incur any personal liability for the benefit of the Company such motgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- 13) To give any person employed by the Company, a commission on the profits or any particular business or transaction, or a share in the general profits of the Company and such commission or share of profits, shall be treated as part of the working expenses of the Company.
- 14) From time to time make, vary and repeal by-laws for the regulations of the business of the Company, its officers and servants.
- 15) To enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any if the matters aforesaid or otherwise for the purpose of the Company.
- 16) To pay gratuities, bonuses, rewards, presents and gifts to employees or dependents of any deceased employees to charitable institutions or purposes, to subscribe for provident funds and other associations for the benefit of the employees.

124A The following actions may be taken by the Board only with the approval of majority of the Directors, which majority shall include the affirmative vote of atleast one (1) Director nominated by Galla Family and JCI: (Inserted on 22-10-1997)

- a) Changing the structure, powers and purpose of the Company, including changes in Memorandum and/or Articles of Association subject to the approval of the members in the general meeting;
- b) Making any further issues or offerings of Shares, Debentures and any kind of Securities, whether such securities are offered to public or not, subject to the approval of the members in the general meeting;
- c) Recommendations of Dividends to the Shareholders, establishment of reserves out of earnings and capitalization and/or disposition of such reserves;
- d) Unplanned/unbudgeted Capital expenditure in excess of Rs.100 lakhs;

- e) Entering into a Joint Venture with another Company or business entity;
 - f) Reorganization, liquidation, dissolution or winding up of the Company, subject to the approval of the members in the general meeting;
 - g) Appointment, removal, remuneration and powers and duties of the Managing Director and Whole Time Director(s), subject to the approval of the members in the general meeting;
 - h) Agreement with respect to intellectual property rights and technology with third parties;
 - i) Resolution of any deadlock in the Management Committee;
 - j) Approval of business plant (operating and capital expenditure) and budgets (operating and capital expenditures) specifically delineating capital expenditure, research and development expenses and employees benefits in excess of legal requirements. (Inserted on 30-7-1998)
125. Subject to the provisions of Section 292 of the Act & other provisions of the Act, the Board may delegate from time to time and at any time to a Committee formed out of the Directors all or any of the powers authorities and discretions for the time being vested in the Board and any such delegations may be made on such terms and subject to such conditions as the Board may think fit.
126. The Board may appoint, at any time and from time to time by a Power of Attorney under the Company's seal any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board thinks fit, be made in favour of the members or any of the members or any Firm or Company or otherwise in favour of any body or persons, whether nominated directly or indirectly by the Board, and any such Power of Attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.
127. The Board may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in it.
128. 1) The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of the mortgages and charges affecting the properties of the Company or created by it and to keeping to Register of the Directors and to sending to the Registrar an annual list of members and a summary of particulars of shares and stock and copies of special resolutions and other resolutions of the Board as required to be filed with the Registrar under Section 192 of the Act, and a copy of the Register of Director Notification of any changes therein.
- 2) The Company shall comply with the requirements of Section 193 of the Act, in respect of keeping of Minutes of all proceedings of every General Meeting and of every meeting of the Board or any Committee of the Board.
- 3) The Chairman of the meeting may exclude at his absolute discretion such of the matters as are could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.
129. The Board shall have power to appoint as the Secretary a person possessing the prescribed qualifications and fit in their opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as they may determine. The Secretary shall

have such powers, duties as may, from time to time, be delegated or entrusted to him by the Directors.

130. Any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorized to be undertaken by the Company may be undertaken by the Board at such time or times as they shall think fit and further may be deferred by them to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
131. Subject to the provisions of Section 292 of the Act, Board may delegate all or any of their powers to any Directors jointly or severally to any one Director at their discretion.

BORROWING

132. 1) The Board of Directors from time to time but with such consent of the Company in General Meetings as may be required under Sec.293 raise any monies to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not without the sanction of the Company at a General Meeting exceed the aggregate of the paid up Capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose and in particular, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and in security of any such money so borrowed, raised or received, Mortgage, pledge or future, including its uncalled capital by special assignment or otherwise or to transfer or convert the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which monies may be borrowed by the Board of Directors.

- 2) The Directors may, by a resolution at a meeting of the Board, delegate the above power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director if any, within the limits prescribed.
- 3) Subject to the provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by opening current accounts or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debenture or debenture stock of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, buildings, goods or other property and securities of the Company, or by such other means as to them may seem expedient.

133. Such 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.
134. a) Any such 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 of the Company, appointment of Directors or otherwise. Debentures, debenture-stocks, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with the sanction of the Company in General Meetings.
- b) Any trust deed for the securing of any debenture-stock and or any mortgage deed and or other bond for securing payment of monies borrowed by or due by the Company and or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner, may provide for the appointment, from time to time, by any such mortgagee, lender, trustees or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide, that the person appointing a Director as aforesaid may from time to time remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine termination of such contract and of any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.
135. The Director or Directors so appointed by or under a mortgage, debenture trust deed or other contract as aforesaid shall be called 'Nominated Directors'. The words 'Nominated Directors' shall mean the Director appointed as aforesaid and for the time being holding such office. The Nominated Director shall not be required to hold any qualification shares not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provisions as may be and all such provisions of the Act.
136. The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the requirements of the Act with regard to the registration of mortgage and charges specified.
137. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charge and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.
138. 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 Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole of or the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

139. 1) The Board of Directors shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolutions passed at the meeting of the Board.
- a) Power to make calls on shareholder in respect of monies on their share;
 - b) Power to issue debentures;
 - c) Power to borrow monies otherwise than on debentures;
 - d) Power to invest the funds of the Company;
 - e) Power to make loans.
- 2) The Board of Directors may, by a meeting, delegate to any committee of the Directors or to the Managing Director the powers specified in sub-clause (c), (d) and (e) above.
- 3) Every resolution delegating the power set out in sub-clause (c) above shall specify the total amount up to which monies may be borrowed by the said delegate.
- 4) Every resolution delegating the power referred to in sub-clause (d) above shall specify the total amount up to which the funds may be invested and the nature of the investment which may be made by the delegate.
- 5) Every resolution delegating the power referred to in sub-clause (e) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

MANAGING DIRECTOR(S) / WHOLETIME DIRECTOR(S)

140. a) The Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more persons to the office of the Managing Director or Managing Directors or Whole-time Director(s).
- b) In the event of any vacancy arising in the office of a Managing Director or Wholetime Director, if the Directors resolve to increase the number of Managing Directors or Wholetime Directors, the vacancy shall be filled by the Board of Directors and the Managing Director or Wholetime Director so appointed shall hold the office for such period as the Board of Directors may fix.
- c) If a Managing Director or Wholetime Director ceases to hold office as Director, he shall IPso facto and immediately cease to be a Managing Director / Wholetime Director.
- d) The Managing Director or Wholetime Director shall not be liable to retirement by rotation as long as holds office as Managing Director or Wholetime Director.
- e) (i) The Board of Directors shall appoint the Managing Director of the Company from within the Board of Directors. The Managing Director shall be nominated by the Galla Family. The initial Managing Director (as on the date of adoption of this article) shall be Mr. Ramachandra N. Galla, who shall continue to serve his existing tenure on the existing terms and thereafter for a further tenure of five (5) years on the terms as determined by the Board, so as to serve the Company as Managing Director for a minimum period of five (5) years from the date of

adoption of this article. In the event Mr. Ramachandra N.Galla is unable to hold office for the aforesaid period for any reason whatsoever, the replacement Managing Director shall be nominated by the Galla Family. Subsequent Managing Director or Managing Directors shall be nominated by the Galla Family. (As amended on 30-07-1998)

(ii) The Managing Director shall have all such powers and authority as may be required and are necessary to conduct the day-to-day operations, management and administration of the Company in accordance with the general policies of the Company, as promulgated by the Board from time to time. (inserted on 30-7-1998)

(iii) The Managing Director shall have the power to incur expenditure on behalf of the Company upto Rs.100 lakhs within the planned and budgeted capital expenditure and upto Rs.25 Lakhs within the planned and budgeted capital expenditure and upto Rs.25 lakhs if unplanned, provided however, that total expenditures may not exceed the annual budget approved by the Management Committee and the Board of Directors.(Inserted on 30-7-1988)

f) (i) The Whole Time Director(s) shall be nominated by Galla Family and/or JCI and shall be appointed by the Board. The initial Whole Time Director (as on the date of adoption of this article) shall be Mr. Jayadev Galla, who shall continue to serve his existing tenure on existing terms and thereafter for a further tenure of five (5) years on the terms determined by the Board so as to serve for a minimum period of five (5) years after the date of adoption of this article.

(ii) The Whole Time Director (s) shall have all such power and authority as may be required and necessary to discharge his duties prudently, in accordance with the general policies of the Company as promulgated by the Board from time to time.

(iii) Without prejudice to provisions of the Companies Act, 1956 the total number of Whole Time Directors shall be restricted to two (2) unless otherwise agreed by Galla Family and JCI. (As amended on 30-7-1998)

141. Managing Director / Wholetime Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors as they may think fit and confer such powers for such time and to be exercised for such objects, purposes and upon such terms and conditions and with such restrictions as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitutions for all or any of the powers of Board of Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Directors/Wholetime Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

142. Subject to the provisions of the Act and subject to such sanction of the Central Government as may be required for the purpose, the Managing Director or Wholetime Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Company in General meeting may from time to time determine.

143. The Managing Director/Wholetime Director shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.
144. 1) The Managing Director / Wholetime Directors shall have, subject to the supervision, control and discretions of the Board, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of the Company, except such powers and such duties as are required by law or by these presents to be exercised or one by the Company in General Meeting or by the Board of Directors and also subject to such conditions or restrictions imposed by the Companies Act or by these presents.
- 2) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director / Wholetime Director and he shall have and exercise all the powers set out in Article 124 above, except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.
- 3) The Board may, from time to time, delegate to the Managing Director or Wholetime Director such limitations as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Wholetime Director by the Board or by these presents.

COMMON SEAL

145. The Board shall provide a common seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the common seal shall be kept at the Registered office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.
146. The seal shall not be affixed to any instrument except by authority of a resolution of the Board or of committee and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company be signed by one Director at least in whose presence the seal shall have been affixed and counter signed by the Managing Director, Secretary or such other person as may from time to time be authorized by the Managing Director or by the Board provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same.

DIVIDENDS

147. a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of these presents, as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively on the last day of the year of account

in respect of which such dividend is declared and in the case of Interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

b) Where capital is paid upon any shares in advance of calls upon the footing that the same shall carry interest, such capital shall not, while carrying interest, confer a right to participate in profits.

148. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
149. The Board may, from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.
150. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.
151.
 - 1) The Board may, before recommending any dividends set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provisions for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.
 - 2) The Board may also carry forward any profits when it may think prudent not to divide, without setting them aside as Reserve.
152. The Board may deduct from any dividend payable to any members all sums of money, if any presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
153. Any General Meeting declaring a dividend or bonus may make a call on the members of such amount as the meeting fixes, but so that call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so arranged between the Company and the members be set off against the call.
154.
 - 1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through post direct to the registered address of the holder or in the case of joint holder to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holders or joint holders may in writing direct.
 - 2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
 - 3) Every such cheque or warrant shall be posted within forty two days from the date of declaration of the dividend.

155. Any one of two or more joint holders of a share may be given effectual receipt for any dividends, bonuses or other monies payable in respect of such shares.
156. Notice of any dividend that may have been declared shall be given to the persons entitled to share there to in the manner mentioned in the Act.
157. No dividend shall bear interest against the Company. No unclaimed dividend shall be forfeited by the Board till the claim thereto become bared by law and the Company shall comply with all the provisions of Section 205 A of the Act in respect of un-claimed or unpaid dividends.
158. 1) Where dividend has been declared by the Company but has not been paid or the warrant in respect thereof has not been posted within forty two days from the date of declaration to any shareholder entitled to the payment of dividends, the Company shall within 7 days from the date of expiry of the said period of forty two days transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of forty two days to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called 'Unapid Dividend Account' of Amara Raja Batteries Limited.
- 2) Any money transferred to the unpaid dividend account of the Company in pursuance of Sub-clause (1) which remains unpaid or unclaimed for a period of 3years from the date of such transfer shall be transferred by the Company to the General Revenue Account of the Central Government but a claim to any money so transferred to the General Revenue Account may be preferred to the Central Government by the person to whom the money is due and shall be dealt with as if such transfer to the general revenue account and not been made, the order if any for payment of the claim being treated as an order for refund of revenue. No unclaimed dividend shall be forfeited by the Board till the claim thereto becomes barred by the law and the Company shall comply with all the provisions of Section 205A of the Act in respect of unclaimed and unpaid dividend.
- 3) The Company shall when making any transfer under clause (2) to the General Revenue Account of the Central Government any unpaid or unclaimed dividend furnish to such officer as the Central Government may appoint in this behalf a statement in the prescribed form setting forth in respect of all sums included in such transfer the nature of the sums, the names and last known addresses of the person entitled to receive the sum amount to which such person is entitled to and the nature of his claim thereto and such other particular as may be prescribed.
- 4) The Company shall be entitled to a receipt from the authorized Schedule Bank for any money transferred by it to the general revenue account of the Central Government and such receipt shall be effectual discharge of the Company in respect thereof.
159. Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

160. 1) The Company in General Meetings, may on recommendation of the Board resolve:

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

ACCOUNTS

162. 1) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.
 - 2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effect at that office shall be kept at that office, and proper summarized returns made upto date at intervals of not more than three months, shall be sent by the Branch office to the Company at its registered office or to such other place in India, as the Board thinks fit, where the main books of the Company are kept.
 - 3) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Offices, as the case may be with respect to the matters aforesaid, and explain transactions.
163. The Books of Account shall be kept at the Registered office or at such other place in India as the Directors think fit.
164. The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts & books and documents of the Company or any of them shall be open to the inspection of the member, and no member (not being a Director) shall have any right of inspecting any account of books or documents of the Company except as conferred by statute or authorized by the Directors or by a resolution of the Company in general meeting.
165. The Board of Directors shall lay before each Annual General Meeting a profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which precedes the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
166. 1) Subject to the provisions of Sec.211 of the Act every Balance Sheet and Profit & Loss Account of the Company shall be in the forms set out in Parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit.
 - 2) So long as the Company is a Holding Company having a subsidiary, the Company shall conform to Section 212 and other applicable provisions of the Act.
167. 1) Every Balance Sheet and every Profit & Loss Account of the Company shall be signed on behalf of the Board by Secretary, if any and by not less than two Directors of the Company one of whom shall be the Managing Director where there is one.

Provided that when only one Director is for the time being in India, the Balance Sheet and Profit & Loss Account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the Profit & Loss Account a statement signed by him explaining the reason of non-compliance with the provisions of sub-clause (1)

- 2) The Balance Sheet and the Profit & Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.
168. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report shall be attached thereto.
169. 1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the Company's affairs; the amounts if any, which it proposes to carry to any reserves in such Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend, material changes and commitments if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.
- 2) The Report shall, so far as it is material for the appreciation of the State of the Company's affairs by its members and will not in the Board opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in the nature of the business on by them and generally in the classes of business in which the Company has an interest.
- 3) The Board's Report shall also include a statement showing the name of every employee of the Company, who if employed throughout the financial year was in receipt of remuneration for that year which in the aggregate was not less than thirty six thousand rupees or if employed for part of the financial year was in receipt of remuneration for any part of that year at a rate which in the aggregate was not less than thirty six thousands rupees per month. The statement shall also indicate whether any such employee is a relative of any Directors or Managers of the Company and if so the names of such Directors and such other particulars prescribed.
- 4) The Board shall also give the fullest information and explanation in its report in cases falling under the provision to Section 222 in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditor's Report.
- 5) The Board's Report and addendum (if any) hereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub clauses (1) and (2) of this Article are complied with.
170. The Company shall comply with the requirements of Section 219 of the Act.

ANNUAL RETURNS

171. The Company shall make the requisite Annual Returns in accordance with Sections 159 and 162 of the Act.

AUDIT

172. Every Balance Sheet and Profit & Loss A/c shall be audited by one or more Auditors to be appointed as hereinafter set out.

173. 1) The First Auditors of the Company shall be appointed by the Board of Directors within one month from the date of registration of the Company and the auditors so appointed shall hold office until the conclusion of the first Annual General Meeting

Provided that:

The Company may, at a General Meeting, remove any such auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination special notice has been given to the members of the Company not less than fourteen days before the date of the meeting and

If the Board fails to exercise its powers of this clause, the Company in General may appoint the first auditor or auditors.

2) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days. Provided that before the appointment or reappointment of Auditors is made by the Company at any General Meeting a written certificate shall be obtained by the Company from the Auditor or Auditors proposed to be so appointed to the effect that the appointment or appointments if made will be in accordance with the limits specified in subsection 1-B of Section 224. Every auditor so appointed shall inform the Registrar of Companies in writing that he has accepted the appointment.

3) Subject to the provisions of Sec.224-1B and Section 224-A at any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

a) he is not qualified for re-appointment

b) he has given the Company notice in writing of his unwillingness to be reappointed;

c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed or

d) Where notice has been given of an intended resolution to appoint some person in the place of a retiring Auditor, and by reason of the death in capacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.

4) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint the person to fill in the Vacancy.

5) The Company shall within seven days of the Central Government's power under sub-clause (4) becoming exercisable, give notice of that fact to the Government.

- 6) The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors (if any) may act, where such a vacancy is caused by the resignation of an Auditor, the Vacancy shall only be filled by the Company in General Meeting.
 - 7) A person, other than a retiring, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Sec.190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with the provisions of Sec.190 and all the other provisions of Sections 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.
 - 8) The persons qualified for appointment as auditors shall be only those referred to in Section 226 of the Act.
 - 9) None of the persons mentioned in Sec.226 of the Act are not qualified for appointment as Auditors shall not be appointed as Auditors of the Company.
 - 10) The Company or its Board of Directors shall not appoint or re-appoint any person or firm as its Auditors if such person or firm is at the date of such appointment or re-appointment or holds appointment as Auditor of the specified number of Companies or more than the specified number of Companies, provided that in the case of the firm of auditors specified number of Companies shall be construed as specified number of companies per partner of the firm, provided further that where any partner of the firm is also a partner of any other firm of auditors the number of companies which may be taken into account by all the firms together in relation to such partner shall not exceed the specific number in the aggregate, provided also that where any partner of a firm of auditors is also holding office in his individual capacity as auditor of one or more companies the number of Companies which may be taken into account in his case shall not exceed the specified number in aggregate. Specified number means in the case of a person or firm holding appointment as auditor of a number of companies each of which has a paid up share capital of less than Rs.25 lakhs, 20 companies and in any other case 20 companies out of which not more than ten shall be companies each of which have a paid up share capital of Rs.25 lakhs or more.
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174. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of Branch offices of the Company.
 175. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill any casual vacancy may be fixed by the Board.
 176. 1) Every Auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of his duties as Auditor.

2) All notices of, and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

3) The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by this Act to be part of or annexed to the Balance Sheet or Profit & Loss Account which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view:

i) In the case of the Balance Sheet of the State of the Company's affairs at the end of its financial year, and

ii) in the case of the Profit and Loss Account of the Profit and Loss for its financial year.

4) The Auditor's Report shall also state:

a) Whether he has obtained all the information, explanations which to the best of his knowledge and belief were necessary for the purpose of his audit.

b) Whether in his opinion, proper books of accounts as required by law have been kept by the Company so far as appears from his examination of those books, and proper returns adequate for the purposes of his audit have been received from branches not visited by him.

c) Whether the report on the accounts of any branch office audited under Sec.228 by a person other than the Company's Auditor has been forwarded to him as required by clause (c) of sub section (3) of Section 228 of the Act and how he has dealt with the same in preparing Auditor's Report; and

d) Whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the Books of Account and returns.

5) Where any of the matters referred to in terms (i) and (ii) of sub-clause (3) above or in item (a), (b), (c) and (d) of sub clause (4) above is answered in the negative or with a qualification, the Auditor's Report shall state the reason for the answer.

6) The accounts of the Company shall not be deemed as not having been, properly drawn up on the ground merely that the Company has not disclosed certain matter if;

a) those matters are such as the Company is not required to disclose by virtue of any provisions contained in the Companies Act or any other Act and

b) those provisions are specified in the Balance Sheet and Profit and Loss Account of the Company

- 7) The Auditor's Report shall be read before the Company in General Meeting and shall be conclusive except as regards any error discovered therein, within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and shall henceforth be corrected and shall henceforth be conclusive.

SERVICE OF DOCUMENT & NOTICE

178. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post, or by leaving it at the Registered Office.
179. 1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process order, Judgment or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or 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) All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the register and notice so given shall be sufficient notice to all the holders of such share.
- 3) Where a document is sent by post:
- a) 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 documents should be sent to him under a certificate of posting or by registered post without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and
- b) unless the contrary is proved, such service shall be deemed to have been effected.
- i) in the case of notice of a meeting, at the expiry of forty eight hours after the letter containing the notice is posted, and
- ii) in any other case at the time at which the letter would be delivered in the ordinary course of post.
180. Each registered holder of shares shall from time to time notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed his place of residence.
181. If a member has no registered address in India, and has not supplied to the Company an address within India, for the giving of notice to him, a document advertised in a newspaper circulating in the neighborhood of Registered office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.
182. A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in

prepaid letter addressed to them by name or by the title or 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 entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

183. Subject to the provisions of the Act and these Articles, Notices of General Meeting shall be given:
- i) To the members of the Company as provided by the Articles in any manner authorized by Articles 179 and 181 as the case may be or as authorized by the Act;
 - ii) to the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 182 or as authorized by the Act;
 - iii) to the Auditor or Auditors for the time being of the Company, in the manner authorized by articles 179 as in the case of any member or members of the Company.
184. Subject to the provisions of the Act document required to be served or sent by the Company on or to the members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated.
185. Every person, who by the operation of law transfer, or other means whatsoever shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered on the Register, shall have been duly served on or sent to the person from whom he derived his title to such share.
186. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

187. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorized officer of the Company and need not be under its seal.

WINDING UP

188. Subject to the provisions of the Act as to preferential payments the assets of the Company shall on its winding up, be applied in satisfaction of its liabilities *pari-passu* and, subject to such application shall be distributed among the members according to their rights and interests in the Company.
189. If the Company shall be wound up whether voluntarily or otherwise, the liquidators may, with the sanction of the special resolution divide among the contribution in specie or kind, any part of the assets of the Company, and may with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit, in case any shares to be divided as

aforesaid involve a liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable act accordingly.

INDEMNITY AND RESPONSIBILITY

190. a) Subject to the provisions of Section 201 of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of Company shall be indemnified by the Company against any liability, and it shall be duty of Directors of the Company to pay, all costs and losses and expenses (including travelling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Officer or Employee or in any way in the discharge of his duties.
- b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Sec.633 of the Act which relief is given to him by the Court.
191. 1) Subject to the provisions of Section 201 of the Act no Director or other Officer of the Company shall be liable for the Acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other Act for conformity or for any loss or expenses happening to Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious Act be entrusted or deposited or for any loss or occasioned by any errors of judgment or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation hereto, unless the same happens through his own willful act or default.
- 2) Without prejudice to the generality of foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar of Companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office, shall be paid and borne by the Company.

SECRECY CLAUSE

192. No member shall be entitled to inspect the Company's works without the permission of the Director or Managing Director or to require discovered of or any information respecting any detail fo the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade secret process which may related to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.
193. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business shall if so required by the Directors before entering upon his duties, or at any time during his

term of office, sign a declaration pleading himself to observe strict secrecy respecting all transactions of the Company and the state of Accounts and in matters relating thereto and shall by such declaration pledged himself not to reveal any of the members which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or any meeting or by a Court of Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles or Law.