

THE COMPANIES ACT, 1956

MEMORANDUM AND ARTICLES OF ASSOCIATION OF

Andhra Pradesh Industrial Infrastructure Corporation Limited

Form I.R.

CERTIFICATE OF INCORPORATION

No. 1630 of 1973-74

I hereby certify that **Andhra Pradesh Industrial Infrastructure Corporation Limited** is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at Hyderabad, this **Twenty Sixth** day of **September,** One thousand Nine hundred and **Seventy Three (4th Asvina, 1895 S.E.)**

Sd/-

(O.P. Jain)

Registrar of Companies

Andhra Pradesh, Hyderabad.

(Seal)

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

Andhra Pradesh
Industrial Infrastructure Corporation Limited

MEMORANDUM OF ASSOCIATION

OF

ANDHRA PRADESH
INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

I. The name of the Company is Andhra Pradesh Industrial Infrastructure Corporation Limited.

II. The Registered Office of the Company will be situated in the State of Andhra Pradesh.

III. The objects for which the Company is established are :

(A) Main objects to be pursued on incorporation are :;

1. To formulate, promote, finance, aid, assist, establish, manage and control schemes, projects or programmes, to provide and develop infrastructure facilities, including factory sites, factory sheds, godowns, marketing facilities, warehouses, facilities of communications, power, water drainage, housing, hospitals and other medical and health and educational institutions and other services of any description in order to promote and assist the rapid and orderly establishment, growth and development of industries and commerce in the State of Andhra Pradesh.

2. To aid, assist, promote and finance industries set up in the factory sheds constructed or factory sites developed by the Company, whether owned or run by Government, statutory body, co-operatives, company, firm or individual or others and to provide them with capita, credit, means and resources for the prosecution of their work and business and to enable them to develop and improve their management, production and marketing techniques.

3. To implement schemes of incentives (financial and otherwise), subsidies and the like formulated by the Government of Andhra Pradesh, Government of India or other authorities or Institutions and to administer such schemes of incentives as may be devised by the company from time to time in the interest of the establishment and development of industries and commerce in the State of Andhra Pradesh.

4. To carry on the business of hire purchase in, or to enter into hire purchase agreements with respect to the purchase and sale of, any goods, plant and machinery, tools and implements as aforesaid, with any person, association, society or other body corporate on such terms and conditions as may be lawful.

5. To promote, establish, improve, develop, administer, own and run Tool Rooms, Pattern Shops, Service Shops, Repair Shops or Work Shops to maintain, repair, refine, manipulate, alter or improve any plant, machinery, implements, accessories, appliances, apparatus, tools, goods or things of any description capable of being used by any customer of or person having dealings with the Company, or commonly dealt in by persons engaged in any such business which may seem capable of being profitably dealt with by the Company and to manufacture, import, export, buy, sell or otherwise deal in workshop machinery of all kinds.

6. To undertake such other activities, industrial, commercial or financial, which will create conditions conducive to the growth of industries in the State of Andhra Pradesh.

(B) Objects ancillary or incidental to the attainment of the main objects mentioned at (A) above are as under :

1. To establish, construct, acquire by purchase, lease, exchange, transfer or otherwise, own, run, administer and maintain Industrial Estates and generally deal in or with the plots or buildings there in by way of sale, on cash, deferred payment, instalment, or hire purchase basis, letting out, leasing or otherwise to individuals entrepreneur / body of enterpreurs, co-operatives, firms or other bodies corporate.

2. To acquire by purchase, lease, exchange or gift or otherwise, lands, buildings or immovable property of any description and any rights over and connected with land and to turn the same into account in any manner whatsoever and in particular by preparing factory sites, laying roads and other facilities of communications and by constructing, altering and improvind factory sheds,warehouses and the like and by providing such other services as may be necessary and helpful to make for land or building suitable for industrial or commercial purposes, and to deal in or with the plots, buildings, ware-houses, factory sheds by way of sale on cash, deferred payment, instalments or hire purchase basis, letting out, leasing or disposing of the same in any manner to individuals, entrepreneurs, body of entrepreneurs, co-operatives, firms or other bodies corporate.

3. To acquire land either purchase, gift or otherwise and to develop it in any manner whatsoever by clearing, levelling, laying roads, electric lines, railway lines, railway sidings, telephones, water supply, drainage, sewage disposal, parks, and by doing any other thing which might be necessary or helpful to make the land suitable for constructing buildings and factory sheds for industrial or commercial purposes, and sell, let out or lease, convey assign, exchange or otherwise deal with all or any part of the developed land or other immovable property.

4. To construct factory buildings, offices, houses, godowns, hospitals, schools, guest houses and the like.

5. To acquire or take over by subscription, purchase or otherwise any of the industries or projects or enterprises or programmes or part there of with the rights and liabilities in so far as they relate to industrial units in the Industrial Estates or Industrial Development Areas suitable for the purposes of the company and if necessary, administer, manage or dispose of them.

6. To manufacture, buy, sell, import, export, instal, work and generally deal in any plant, machinery, vehicles, substances, tools, materials, goods or things or any description which, in the opinion of the company, may be conveniently dealt with by the Company in connection with any of its objects.

7. To raise funds in such manner as the Board of Directors of the Company may think fit subject to the Articles of Association and subsidiary regulations framed there to from time to time.

8. To enter into partnership or into any arrangement for sharing profits or into any union of interests, co-operation, joint venture, reciprocal concession or amalgamation either in whole or in part with any other companies or persons carrying on or engaged in or about to carry on or engage in or any business or transaction which this company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to lend money, to guarantee the contracts of or otherwise, assist any such person or company and and to take or otherwise acquire or otherwise deal with same.

9. To invest the capital of the company in or to deal with shares, stocks, bonds, debentures, obligations and other securities of any company or association formed for establishing, executing or working of any Industrial Undertaking approved by the Company.

10. To enter into any agreement with the Government of Andhra Pradesh or the Government of India or any other Government or State or Local Authority or any person for the purpose of carrying out the objects of the Company or furthering its interests and to obtain from such Government or Authority or person any charters, subsidies, loans, indemnities, grants, contracts, licences, rights concessions, privileges or immunities, which the company may think it desirable to obtain and exercise and comply with any such arrangements rights, privileges and concessions.

11. To establish agencies or branches in India or outside necessary for carrying out the objects of the Company.

12. To open bank accounts, make, draw, accept, endorse, discount, execute, issue and negotiate cheques, bills of exchange, promissory notes, debentures and other negotiable or transferable instruments, but not do the business of banking as defined in the Banking Regulations Act, 1949 (Central Act, X of 1949).

13. To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by the issue of debentures of debenture stock, perpetual or otherwise charged upon all or any of Company's property (both present and future) including its uncalled capital, and to purchase, redeem, or pay off any such securities.

14. To invest and deal with the funds of the Company upon such securities and in such manner as shall from time to time be considered necessary for the benefit of the Company and to create any Reserve Fund, Sinking Fund, General Insurance Fund, Provident Fund etc.

15. To receive grants, loans, advances, subventions, subsidy or other money on deposit, or otherwise from the Andhra Pradesh Government or any other State Government or the Government of India of Banks, Companies, Institutions, Trusts or individuals with or without allowance of interest thereon.

16. To establish and maintain common facilities such as electricity supply, postage, telegraph, telephone, schools, dispensaries, hospitals, water, wages gas, steam, compressed air, transport, the first aid centres, public health, institutions, markets, shops and stores, clubs, cinemas and entertainment places, motor transport services, housing colonies, hotels and restaurants, guest houses, hostels, dairies, fire service stations and the like for the benefit of employees and their families and others.

17. To train or to pay for the training in India or abroad of any members of Staff of the company or any other employees of the Company either in the present or likely to be in employment of the Company in future of or any others, which training in the opinion of the Company is likely to benefit the Company in its working, knowledge, management and administration including research either in the field or in the Laboratories and to undertake training and research activities for this purpose.

18. To establish Research and Development facilities for promoting technological innovations and their economic application in industry.

19. To prepare or to get prepared reports, blue-prints, statistics and other information regarding schemes for Industrial Development.

20. To collect, record and disseminate by suitable means of publication including the Press, books, advertisements pamphlets, magazines and the like, information likely to be of interest or use to persons or institutions interested in promoting industries and to publicise the activities of the Company.

21. To undertake and carry on scientific, technical and economic surveys, technical researches, experiments and tests of all kinds by providing subsidies endowing or assisting laboratories, workshops and by providing or contribution of the remuneration of scientific or technical professors, teachers and academicians and others and generally to encourage, promote and reward studies, researches, investigations, experiments that may be considered likely to assist any business which the company is authorised to do.

22. To pay for any properties, rights of privileges acquired by the Company either in shares of the Company or partly in shares and partly in cash or otherwise.

23. To secure necessary foreign collaboration, assistance, technical know-how and the like for the establishment growth and development of industries.

24. To sell, exchange, mortgage, let on lease, royalty or tribute, grant licences, easements, options and other rights over and in any other manner deal with or dispose of the undertaking, property, assets, rights, and effects of the Company or any part there of for such consideration as may be thought fit and in particular for stocks, shares (whether fully or partly paid up), debentures or securities of any other Company.

25. To pay all costs, charges, and expenses incidental to the promotion, formation, registration and establishment of the company or its branches and agencies and the issue of its capital, lawyers charges and remunerate in cash or in any other manner, any person or persons for services rendered or to be rendered in introducing any persons or business to the Company or for any other reasons which the Company may think proper.

26. To provide for the welfare of the employees and ex-employees of the Company and the wives, widows and families of such persons by establishing provident or other funds, by grant of money and by providing or subscribing towards places of instruction, recreation dispensaries, hospitals, medical and other attendance and other assistance as the Company may think fit.

27. To direct the management, control and supervision of any company, association or concern by

nominating Directors, Controllers, Supervisors, Advisers or otherwise or to collaborate with any Company or Association or concern formed for carrying on or engaged in any manufacture or business coinciding with the objects of the Company or similar thereto.

28. To act as Agent for Government or other Authorities or any manufactures, merchants and others and transact and to carry on agency business of every kind and of any description.

29. To employ, or pay experts, Indian or foreign consultants etc., in connection with the planning and development of all or any of the business connected with the Company's operations.

30. To distribute, in specific or otherwise, as may be resolved any assets of the Company among its members and particularly the shares, debentures or other securities of any other Company formed to take over the whole or any part of the assets or liabilities of this Company as may be permissible under the Law.

31. To promote and establish such companies, associations advisory boards and other suitable bodies as may be deemed necessary in order to carry out the objects of the Company.

32. To aid, financially or otherwise, any association, body or movement having for an object the solution, settlement or surmounting or industrial or labour problems or the promotion of industry or trade.

33. To do all or any of the above things in any part of the world and either as principles, agents, trustees or otherwise and either alone or in conjuction with others and by or through agents, sub-contractors, trustees or otherwise.

34. Generally to do all such other matters and things as may appear to be incidental or conductive to the attainment of the above objects or any of them or consequential upon the exercise of its powers or discharge of its duties.

(C) Other objects :

1. To carry on the business of builders and contractors of all descriptions, decorators, manufactures and dealers in stone, sand, line soorkkey, bricks, timber, hardware, paints and other building materials and of brick and tile and terracotta makers, job makers carriers, furnisher and house agents.

IV. The liability of the members is limited.

V. The aurhorised share capital of the Company is Rs. 20,00,00,000 (Rupees Twenty crores), divided in to 2,00,000 (two lakh) equity share each of Rs. 1,000 (Ruppes One Thousand) each with power for the Company to increase or reduce the capital of the Company and to issue any part of its capital with or without any preferential, deferred, guaranteed, qualified or special rights and conditions and with power to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in accordance with provisions of the Companies Act, 1956.

We, the several persons whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of equity share in the capital of the Company set opposite our respective names :

Sl. No.	Name of the Subscriber	Description, Occupation and address of the subscriber	No.of Shares taken by each subscriber	Signature of Subcriber	Signature of witnesses and their names, description, occupation, and address.
1.	Governor of Andhra Pradesh through Sri. S.R. Ramamurthy, IAS S/o. Sri S.V. Ramanatha Ayyar	Secretary to Government, Industries & Commerce Department, Andhra Pradesh, Hyderabad.	1 (One Equity Share)		
2.	Sri V. Sundaresan, IAS S/o. Late Sri S.V. Sastry	Special Officer, Corporation for Industrial Infrastructure Corporation of Andhra Pradesh, Hyderabad	1 (One Equity Share)		
3.	Sri N. Luther, IAS S/o. Sri M.R. Luther	Director of Industries, Andhra Pradesh, Hyderabad.	1 (One Equity Share)		

Place : Hyderabad.

Dated this day of 1973

THE COMPANIES ACT, 1956

ARTICLES OF ASSOCIATION

OF

Andhra Pradesh
Industrial Infrastructure Corporation Limited

ARTICLES OF ASSOCIATION
OF
Andhra Pradesh
Industrial Infrastructure Corporation Limited

PRELIMINARY

1. The name of the Company is the Andhra Pradesh Industrial Infrastructure Corporation Limited.

2. *Definitions* :- (i) In these articles unless there be something in the subject or context inconsistent there with :

"Board" means the Board of Directors.

"Capital" means the Capital for the time being raised or authorised to be raised for the purpose of the Company.

"Dividend" includes bonus.

"Executor" or "Administrator", means a person who has obtained probate or letters of administration, as the case may be, from a competent Court.

"In writing" and "written" include printing, lithography and other modes representing or reproducing words in a visible form.

"Month" means a month, reckoned according to the British Calendar.

"Person" includes any Company or Association or Body or individuals, Whether incorporated or not.

"Regulations of the Company" means the regulations for the time being increase for the management of the Company.

"Seal" means the common seal for the time being of the company.

"Shares" means the shares or stock into which the capital is divided and the interest corresponding with such shares or stock.

"The Act" means the Companies Act (Central Act I of e 1956) as amended from time to time.

"The Company" means the Andhra Pradesh Industrial Infrastructure Corporation Limited.

"The Directors" means the Directors for the time being of the Company.

"The Office" means the Registered Office for the time being of the Company.

"The Government" means the Government of Andhra Pradesh.

"The Register" means the register of members to be kept pursuant to Section 150 of the Act.

(ii) Unless the context therein requires the words or expressions contained in these articles shall bear the same meaning as in the Act.

3. Company to be governed by these Regulations :-

1) The regulations contained in Table "A" in the Schedule I to the Act shall not apply to the Company.

2) The regulation of the internal management of the Company and the rights of the members thereof and their representatives shall subject to any exercise of statutory powers of the Company in reference to the repeal or alternations of or addition to its regulations by special resolution as prescribed or permitted by the Act, be such as are contained in these articles.

PRIVATE COMPANY

4. The Company shall be a private Company within the meaning of Section 3(1)(iii) of the Companies Act, 1956, and accordingly.

a) The number of members shall not exceed fifty, excluding.

(i) the persons who are for the time being in the employment of the Company, and

(ii) the persons who having been formerly in the employment of the Company, were members of the Company while in that employment and have continued to be members after the employment ceased; but where two or more persons hold one or more shares in the company jointly, they shall, for the purpose of this Article be treated as a single member.

b) Any invitation to the public to subscribe for any shares or debentures of the Company is hereby prohibited.

c) The right of transfer of shares shall be restricted as hereinafter provided.

SHARE CAPITAL

5. *Share Capital of the Company :* The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty crores only) divided into 2,00,000 (two lakh) equity shares of Rs. 1,000/- (Rupees One Thousand) each. The Company may alter the conditions of issue of share capital in its memorandum so as to increase its share-capital by such an amount as it thinks expedient by issuing new shares in the manner prescribed in section 94 of the Act.

6. *Allotment of Shares :* Subject to the provisions of the Act, and these articles the Shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the share to such persons on such terms and conditions as they think fit.

7. *Company's Share not to be purchased :* No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of the Company's shares.

8. *Share Certificate :* Every person whose name is entered as member in the register shall without payment of any fee or charge be entitled to a certificate under the seal of the Company specifying the share of shares held by him and the amount paid thereon, provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one Certificate, and delivery of a share certificate to one of several joint holders shall be sufficient delivery to all.

9. *Variation of Rights Attached to Shares :* If at any time the share-capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issue shares of that class or by 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 the general meetings shall mutatis-mutandis apply but the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issue shares of the class is question.

10. *Issue of new Share Certificate in place of one defaced, torn or old decrepit, worn out or, lost or destroyed :* If any Share Certificate is defaced, torn or old, decrepit, worn out or there is no further space on the back thereof for endorsement of transfer, than, upon the surrender thereof to the Company it may order the same to be canceled and issue a new certificate in lieu thereof.

    If any Share Certificate is lost or destroyed, it may be renewed on obtaining prior consent of the Board and on payment of a fees of paise 50 and on such reasonable terms, if any as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Directors think fit.

LIEN

11. *Company's Lien on Shares :* The Company shall have a lien on every share (not being a fully paid shares) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have lien on all share (other than fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the company; but the Board may declare any share to be wholly or in part exempt from the provisions of this claim. The Company's lien in respect of a share shall extend to all dividends payable in respect of that share.

12. *Enforcement of Lien by Sale :* The Company may sell, in such manner as the Board thinks fit, any share on which the Company has lien, but no sale shall be made unless some sum in respect of which that lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or insolvency to the share.

13. *Application of Proceeds of Sale :* The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and residue shall be payable (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) to the persons entitled to the shares at the date of the sale. The proceeds of the sale shall be received by the company and shall be applied in payment of such part of the amount in respect of

which the lien exists as is presently payable, and the residue if any shall (subject to alike lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the persons entitled to the shares at the date of the sale.

14. *Calls on Shares :* The Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares and specify the time or times of payment and each member shall pay to the company at the time or times so specified the amount called on each share. Provided however, that the Board may, from time to time at their discretion extend the time fixed for the payment of any call.

15. *Joint Holders Liability to Pay :* The joint holders of a share shall be jointly and several liable to pay all calls in respect thereof.

16. *When Interest on call Payable :* If a sum payable in respect of any call be not paid on or before the day appointed for payment thereof, the holder for the time being or the allottee of the share in respect of which a call shall have been made shall pay interest on the same at such rate not exceeding 6 percent per annum as the Board shall fix from the day appointed for the payment thereof to the time of actual payment provided that the Board may waive payment of such interest wholly or in part.

17. *When Interest Payable on any Amount :* The provisions of these articles as to the payment of interest shall apply in the case of non-payment of any amount which by the terms of issue of share becomes payable at a fixed time whether on account of the nominal value of the shares or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

18. *Payment in Anticipation of Calls may carry Interest :* The Board may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys 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 6% per annum) as may be agreed upon between the member paying the sum in advance and the Board.

FORFEITURE OF SHARES

19. *Notice of Forfeiture :* (1) If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accured.

2. The notice aforesaid shall (a) name a further day (not being earlier than the expiry of 14 days from the date of service of notice) on or before which the payment required by the notice is to be made, and

   (b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

3. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been give may at any time thereafter, before the payment required by the notice has been made be forfeited.

4. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

5. Any time before a sale or disposal of the forfeited share as aforesaid the Board may cancel the forfeiture on such terms as it thinks fit.

20. *Effects of Forfeiture :* 1. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, not withstanding the forfeiture remain liable to pay the Company all moneys which, on the date of forfeiture, were presently payable by him to the Company in respect of the Shares.

2. The liability of such persons shall cease if and when the company shall have received payment in full of all such moneys in respect of the shares.

21. *Declaration of Forfeiture :* 1. A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

2. The Company may receive the consideration, if any given for the share on any sale or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of.

3. The transfer shall thereupon be registered as the holder of the share.

4. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his little to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

22. *Provisions regarding forfeiture to apply in the case of non payment of sums payable at fixed time :-* The provisions of these articles as to forfeiture shall apply in case of non-payment of any sum, which by terms of issue of share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

23. *Right of members to transfer :* The right of members to transfer their shares shall be restricted as follows.

a) A share may be transferred by a member or other person entitled to transfer only to a person approved by the Government.

b) Subject to section 111 of the Act and subject as aforesaid the Directors may in their absolute and uncontrolled discretion refuse to register any proposed transfer of share.

24. *Notice of Refusal to Register Transfer :* If the board refuses to register the transfer of any share, they shall within two months of the date on which the instrument of transfer is delivered to the company send to the transferee and the transferor notice of the refusal.

25. *Company not bound to recognise any interests in shares other than that of the registered holders :* Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equitable contingent or other claim to or interest in such share on the part of any persons whether or not it shall have express or implied notice thereof.

26. *Execution of Transfer :* The instrument of transfer of any share in the Company shall be executed both by the transfer or and the transferee shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

27. *Form of Transfer :* The instrument of transfer of any share shall be in the form prescribed under the Act and shall fulfill relevant requirements of the Act regarding signature, authentication, period within which such instrument should be presented to the Company etc.

28. *Transfer to be left at office and evidence of title to be given :* Every instrument of transfer shall be left at the office for registration accompanied by the certificate of shares to be transferred and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer shall be retained by the Company but not instrument of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same.

29. *Transmission by operation of Law :* Nothing contained in article - 23 shall prejudice any power of the Company to register as share holder any person to whom the right to any shares in the Company has been transmitted by operation of law.

30 *When register of members and debenture holders may be closed :* The register of members or the register or debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in any year but not exceeding 30 days at any one time after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated.

31. *Providing right to refuse registration :* The Board shall have right to refuse to register the name of person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

ALTERATION OF CAPITAL

32. *Power to increase capital :* The Board may with the sanction of Government and of the Company in the General Meeting increase the share-capital by such sum to be divided into shares of such amounts as may be specified in the resolution.

33. *Conditions on which new shares may be issued :* The new shares shall be subject to the same provisions with reference to the payment of calls, lien transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

34. *Reduction of Capital :* Subject to the provisions of sections 100 to 104 of the Act and subject to approval of Government in this behalf the Company may from time to time by special resolution reduce its capital by paying off all capital or canceling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called up again or otherwise and the Directors may subject to the provisions of the Act accept surrender of shares.

35. *Consolidation and sub-division of shares :* The company may be ordinary resolution :

a) Consolidate and divide all or any of its share-capital into shares of larger amount than its existing shares.

b) By sub-division of its existing share or any of them, divide the whole or any part of its share capital into shares of smaller amounts than is fixed by the Memorandum of Association subject nevertheless to the provisions of the Act.

c) Cancel any shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person.

BORROWING POWERS

36. *Power to borrow :* The Board may from time to time at its discretion raise or borrow or secure the payment of any sum of sums or money for the purpose of the company.

37. *Conditions of borrowings :* The Board may raise or secure the payment or re payments of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of debentures or debenture stock of the Company charges upon all or any part of the property of the Company, both present and future including its uncalled capital for the time being.

38. *Securities may be assignable free from equities :* The debentures stock and other securities may be made assignable free from any equities between the Company and the persons to whom the same may be issued.

39. *Issue at discount etc., or with special privileges :* Any debentures, debenture stock bonds or other securities may be issued at a discount premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares oppointment of Directors or otherwise.

40. *Persons not to have priority over any prior charge :* Whenever 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 share holder or otherwise, to obtain priority over such prior charge.

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

GENERAL MEETINGS AND PROCEEDINGS

42. *General Meetings :* The first annual general meetings of the Company shall be held within 18 months of its incorporation. The next annual general meeting shall be held within six months after the expiry of the financial year in which first annual general meeting was held and there after out annual general meeting shall be held within six months after the expiry of each financial year except in the case when for any special reason, time for holding annual general meeting (not being the first annual general meeting) is extended by the Central Government under Section 167 of the Act. No greater interval than 15 months shall be allowed to elapse between the date of one annual general meeting and that of the next. Every general meeting shall be held during the business hours on a day other than a public holiday either at the registered office of the Company or some other place within the city or town or village in which the regstered company is situated and notices calling a meeting shall specify it as the annual general meeting. Such general meetings shall be called annual general meetings and all other meetings shall be called extraordinary general meetings.

43. *Extraordinary General Meetings :* Subject to the provisions of Section 169 of the Act, the Directors may whenever they think fit and they shall on the requisition of the holders of not less than one-tenth of the paid-up capital of the Company as at that date carried a right of voting in regard to the matter and on which all calls or other sums then due have been paid forth with proceed to convene an extraordinary general meeting of the company and in the case of such requisition, the following provisions shall have effect :-

    1. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents in like from each signed by one or more requisitionists.

    2. If the Directors of the Company do not proceed within twenty-one days from the date of the deposit of the valid requisition to cause a meeting to be called for consideration of these matters on a day not later than forty-five days from the date of the deposit of the requisition the requisitionists or a majority of them in value may themselves covened the meeting, but any meeting so convened shall be held within three months from the date the deposit of the requisition.

3. Any meeting convened under this article by the requisitionist's shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors If, after a requsition has been received, it is not possible for a sufficient number of Directors to meet in time so as to form a quorum, any Director may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

44. *Notice of Meeting :* A general meeting of the Company may be called by giving not less than twenty-one days notice in writing specifying the place, day and hour of meeting, with a statement of the business to be transacted at the meeting. Such notice shall be served on every member in the manner hereinafter provided, but with the consent in writing of all the members entitled to receive notice of same any particular meeting may be convened by such shorter notice and in such manner as those member may think fit.

Provided however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by sub-section (2) of section 189(2) of the Act, notice of such meetings specifying the intention to propose the resolution as a special resolution shall be served.

45. *Omission to give notice :* The accidental omission to give any such notice to or the non-receipt of any such notice by any member shall not invalidate the proceedings at any meeting.

46. Business of Annual General Meeting: The business of an annual general meeting shall be to receive and consider the profit and loss account, the balance sheet, and the report of the Directors and of the auditors, to declare dividends to appoint and fix, the remuneration of auditors and to transact any other business which under these articles ought to be transacted at an annual general meeting. All other business transacted at an annual general meeting and all business transacted at an extraordinary meeting shall be deemed special.

47. Quorum: No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two members present in person shall be a quorum.

48. *Right of Government to appoint any person as their Representative:-* 1. The Government so long as they are share holders of the Company may from time to time appoint one or more persons (who need not be a member or members of the company) to represent them at them all or any meetings of the Company.

2. Any one of the persons appointed under sub clause (1) of this article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present in person and shall be entitled to represent the Government at all or any such meetings and to vote on their behalf whether on a show of hands or on a poll.

3. The Government may from time to time cancel any appointment made under sub-clause (1) of this Article and make fresh appointments.

4. The production at the meeting of an order of the Governor evidenced as provided in the Constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.

5. Any person appointed by the Government under this article may, if so authorized, by such order, appoint, a proxy, whether specially or generally.

49. Chairman of General Meeting:- The Chairman of the Board shall take the Chair at every general meeting or if there be no such Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the Vice-Chairman, if any shall preside at the meeting. If there is no Vice-Chairman, if at any meeting

he is not present within the time as aforesaid or he is unwilling to act as Chairman, then the members present shall choose another Director as Chairman and if no Director is present or if all the Directors present decline to take the Chair then the members present shall choose one of their members to be Chairman of the meeting

50. *If Quorum not present when meeting to be dissolved and when to be adjourned:* If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting a quorum is not present, those members who are present shall be a quorum and may transact the business for which the meeting was called.

51. How questions to be decided at Meeting:- Every question submitted to a meeting shall be decided by a show of hands and in the case of an equality of votes the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled as a member.

52. *What is to be evidence of the passing of a resolution where Poll not demanded*:- At any general meeting a resolution put to 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 by a member present in person or by proxy or by duly authorized representative, and unless a poll is demanded, a declaration by the Chairman that a resolution has or has not, on a show of hands, been carried or carried unanimously or by a particular majority and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

53. *Poll*:- If a poll is duly demanded it shall be taken in such manner as the Chairman directs. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. The demand of a poll may be withdrawn before the poll is taken.

54. *Adjournment of General Meeting:* The Chairman may with the consent of any meeting at which the 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 adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for one month or more notice of the adjourned meeting shall be given as in the case of an 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.

55. *Poll to be taken without adjournment in some cases*:- A poll demanded on the election of the Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.

56. *Business may proceed notwithstanding demand of poll*:- The demand of a poll shall not present the continuance of meeting for the transaction of any business other than the question on which a poll has been demanded.

57. *Chairman's decision conclusive*: The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

58. *Votes of Members*:- Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hand every member present in person shall have one vote. On a poll every member present in person or by proxy or by duly authorized representative shall have one vote in respect of each share held by him. A proxy shall not be entitled to vote on a show of hands.

59. *Proxy on behalf of nominee of Governor*:- Any person authorized by the Governor to vote on his behalf as aforesaid may if so authorized by any order of the Governor as aforesaid appoint another person (whether a member or not) as a proxy or substituted authority whether in respect of special or ordinary resolution to vote on behalf of the nominee of the Governor as aforesaid and such proxy or substituted authority shall be entitled to speak and also to vote on a show of hands or on a poll.

60. *Votes in respect of shares of Deceased and Bankrupt Members*:- Any person entitled under the transmission clause to any share may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that seventy – two hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shell havepreviously admitted his right to such shares or his right to vote at such meeting in respect thereof.

61. *Joint Holders*:- In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy shall be accepted to the exclusion to the vote of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of the members.

62. *Vote of shareholders of unsound mind*: A member of unsound mind or in respect of whom an order has been made by any Court of competent jurisdiction 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.

63. *No member entitled to vote while call due to company*:- No member shall be entitled to be present or to vote on any question either personally or by proxy, at any general meeting or upon a poll, or be reckoned in quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such members.

64. *Proxies permitted*:- On a poll votes may be given either personally or by proxy or by duly authorized representative.

65. *Instrument or proxy to be writing*:- Subject as aforesaid the instrument appointing a proxy shall be in writing under the hand of appointer or his attorney duly authorized in writing or if the appointer is a body Corporate either under common seal, or under the hand of an officer or attorney so authorized.

66. *Instrument appointing proxy to be deposited in office*:- The instrument appointing a proxy and the power of attorney or other authority if any under which it is signed or a notarially certified copy of that power of attorney shall be deposited at the registered office of the Company not less than 48 hours before the time for holding a meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

67. *When vote by proxy valid though Authority Revoked*:- A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation, transfer or transmission shall have been received at the office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

68. *Form of Proxy*:- An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:-

ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

"I……..……of ……in the District of ……being a member of the above named company hereby appoint……of……in the District of……as my proxy to vote for me on my behalf at the (Annual or extraordinary as the case may be) general meeting of the Company to be held on the ……day of ……..and at any adjourned thereof".

Signed this……day of……

69. *Time for objection to vote:-* No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

BOARD OF DIRECTORS

*****70. *Number of Directors:-* Unless otherwise determined by the Government the total number of Directors, both ex- officio directors and Directors other than Ex- Officio Directors of the Company shall neither be less than two or more than Twenty One at any time.

71. *Appointment of Directors:-* a). The first Directors and all subsequent directors shall be appointed by the Government by nomination provided that the Director of Industries of the Government of Andhra Pradesh shall be appointed as ex-officio Director notwithstanding anything contained in Article 75.

(b). The Government shall have the power to remove any Director including the Chairman and Vice-Chairman and the Managing Director from office at their absolute discretion.

(c). The Government shall have the right to fill any vacancy in the Office of the Directors caused by removal, resignation, death or otherwise.

72. *Appointment of Chairman:-* The Government may from time to time appoint Chairman and Vice-Chairman of the Board of Directors from among the Directors.

73. *First Directors:-* The persons hereinafter named shall be the first Directors:

1.	Sri S. Ramamurthy, IAS	-	Secretary to Government, Industries & Commerce Department, Andhra Pradesh, Hyderabad
2.	Sri V. Sundareshan, IAS	-	Special Officer, Industrial Infrastructure Corporation of Andhra Pradesh, Hyderabad
3.	Sri N. Luther, IAS	-	Director of Industries, Government of Andhra Pradesh, Hyderabad

74. *Directors need not hold qualification Shares:- The Directors are not required to hold any qualification shares.*

Article 70 was amended on the date of 20.09.2021 with the modification that the maximum number of directors increased from 15 to 21.

75. *Retirement of Directors:-* The Directors including the Chairman and Vice Chairman but excluding the Ex-officio Directors and Managing Director shall retire from office at the end of two years from the date of their appointment. The Managing Director shall retire on his ceasing to hold the office of Managind Director and the Ex-officio Directors shall retire on their ceasing to hold their respective offices. The retiring Directors shall be eligible for re-appointment.

76. *Remuneration of Directors:-* The remuneration of the Directors shall from time to time be determined by the Government. Subject to the provision of section 314 of the Act such reasonable additional remuneration as may be fixed by the Government may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise.

77. *Payment of T.A. etc., to Directors:-* In addition to the remuneration payable to them in pursuance of the Act, every Director may be paid all traveling, hotel and other expenses as may be determined by the Board.

a. In attending and returning from meetings of the Board or any Committee thereof.

b. In connection with the business of the Company.

POWERS AND DUTIES OF THE DIRECTORS

78. *General powers of the Company vested in the Board:-* The business of the Company shall be managed by the Board, which may pay all expenses incurred in getting up and registering the Company and 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 articles required to be exercised by the Company in general meeting, subject nevertheless, to the provisions of these articles to the provisions of the Act and to such regulations being not in consistent with the aforesaid provisions as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

79. *Board may make bye-laws:* The Board may, as and when it thinks, fit, make any bye-laws not inconsistent with the objects of the company as set out in the Memorandum of Association nor with these articles for the conduct and regulation of the business of the Company and the Board, its officers and servants and may in like manner vary and repeal any such bye-laws.

80. *Specific Powers of the Board:-* Without prejudice to the general powers conferred by the last proceeding article and the other powers conferred by these Article but subject to the provisions of section 292 of the Act the Directors shall have the following powers, that is to say power:

1. to purchase, take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorized to acquire at such price, and generally on such terms and conditions as they think fit;

2. to authorize the undertaking of works of a capital nature;

3. to pay for any property, rights 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 specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

4. to secure the fulfillment of any contacts or engagements entered into by the Company by mortgage or charge of all or any of the property of the company and its uncalled capital for the time being or in such other manner as they think fit;

5. to appoint at their discretion, remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent / temporary or special services, as they may, from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and to such amount as they think fit;

6. to appoint any person (whether incorporated or not) to accept and hold trust for in Company any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;

7. to institute conduct, defend compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company;

8. to refer any claims or demands by or against the Company to arbitration, and observe and perform the awards;

9. to make and give receipts releases, and other discharges for money payable to the Company, and for the claims and demands of the Company;

10. to determine the person who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents;

11. to appoint any person to be the attorneys or agents of the company with such powers (including power to subdelegate) and upon such terms as may deem fit;

12. to invest in the Reserve Bank of India or in such securities as may be approved by the Government and deal with any of the moneys of the Company upon such investments authorized by the Memorandum of Association of the Company (not being shares in the Company) and in such manner as they think fit, and from time to time vary or release such investments;

13. to execute in the name and on behalf of the Company in favour of any Director or other persons who may incur or be about to incur any personal liability for the benefit of the Company such mortgages 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 on:

14. Subject to the approval of the Government, to give to any person employed by the Company a commission on the profits of any particular business 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;

15. from time to time to make, vary and repeal bye-laws for the regulation of the business of the company, its offices and servants;

16. to give award or allow any bonus, pension, gratuity or compensation to any employee of the company or his widow, children or dependents, that may appear to the Directors just or proper, whether such employee, his widow, children or dependents have or have not a legal claim upon the Company;

17. before declaring any divided to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit;

18. 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 of the matters aforesaid or otherwise for the purpose of the Company and;

19. subject to section 292 of the Act to sub-delegate all or any of the powers, authorities and direction for the time being vested in them subject however, to the ultimate control and authority being retained by them.

81. *Appointment of Managing Director and his remuneration:-*

a) The Government may appoint one of the Directors to be the Managing Director of the Company for the conduct or management of the business of the Company.

b) The Managing Director shall be paid such salary and allowances as may be fixed by the Government.

82. *Managing Director's Powers:-* a) Subject to the provisions of the Act and these articles the business and affairs of the Company shall be conducted, managed and supervised by the Managing Director who shall be principal administrator and Chief Executive of the Company and who shall have such powers and authority to conduct the affairs of the company as may be vested in him or delegated to him by the Board.

b) The Board may also authorise the Managing Director to vest any authority or powers conferred on him by it to any other officer of the company.

83. *Government may vest special powers to Managing Director.* The Government may from time to time entrust to and confer upon the Managing Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit and may confer such powers for such time and to exercised for such objects and purpose and upon such terms and conditions and with such restrictions as they may think expedient and they may confer such powers either collateral with or to the exclusion of or in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

84. *Board to cause minutes to be made in Books:-* The Board shall cause minutes to be made in books provided for the purpose.

a) of all appointments of officers made by the Board.

b) of the names of the Directors present at each meeting of the Board and of any Committee of the Board.

c) of all resolutions and proceedings at all meetings of the Company and of the Board and of the Committees of the Board and every Director present at any Meeting of Board or a Committee of the Board shall sign his name in a Book to be kept for that purpose.

THE SEAL

85. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board and in the presence of at least one Director or of such other person as the Government or the Board may appoint for the purpose; and any such Director or other authorised persons as aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence, provided that the affixing of the seal in share certificates shall be in accordance with the Companies (issued of share certificate) Rules, 1960.

DISQUALIFICATION OF DIRECTORS

86. *The office of the Director shall become vacant if* - a) he is found to be of unsound mind by a Court of Competent Jurisdiction;

b) he applies to be adjudicated an insolvent;

c) he is adjudged an insolvent;

d) he is convicted by a court of any offense involving moral turpitude and sentence in respect thereof to imprisonment to not less than six months;

e) he fails to pay any call in respect of shares of the Company held by him whether alone or jointly with others, within six months from the last date fixed for the payment of the call;

f) 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;

g) he fails to disclose the nature of his concern or interest in any contract or arrangement entered into or to be entered into by or on behalf of the Company as required under section 299 of the Act;

h) he becomes disqualified by an order of Court under section 203 of the Act;

i) he is removed in pursuance of section 284 of the Act;

j) he is concerned or participates in the profits of any contract with the Company;

Provided, however, that no Director shall vacate his office by reason of his becoming a member of any Company which has entered into contract with or done any work for the company of which he is a Director, but a Director shall not vote in respect of any such contract or work and if he does so vote his vote shall not be counted.

Disqualification referred to in Sub-clauses (c), (d) and (h) above shall not take effect:-

a) for thirty days from the date of 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 day 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.

87. *Alternate Directors*:- Government may appoint an alternate Director to act for Director (hereinafter in this article called 'original Director') during his absence for a period of not less than three months from the State of Andhra Pradesh. Such Director shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed. Such appointment shall have effect and such appointee while he holds office as an alternate Director shall be entitled to notice of the meetings of the Directors and to attend and to vote there at accordingly but he shall *Ipso Facto* vacate office when the original Director returns to this State. Any provision for the automatic reappointment of the retiring Director in default of another appointment shall apply to the original and not to the alternate Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

88. *Meeting of the Board*:- The Board may meet together for the despatch of business atleast once in three months adjourn and otherwise regulate its meetings, as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes of the members present. In case of an equality of votes, the Chairman shall have a second or casting vote.

89. *Resolution without Board Meeting valid*:- Subject to the provision of Section 289 of the Act a resolution in writing signed by a majority of the Directors shall be valid and effectual as if it had been passed at a meeting of a Board duly convened and held.

90. *Quorum*:- One-third of the total strength of the Board (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher shall be quorum for a meeting of the Board.

91. *Place of Meeting:*- The meeting of the Board may be held at the Registered office or anywhere else within the State of Andhra Pradesh if it is in the interest of the Company.

92. *Power of Quorum*:- A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the articles of the company for the time being vested in or exercisable by the Directors generally.

93. *When continuing Directors may Act*:- The continuing Directors may act notwithstanding any vacancy in the Board, but, if and so long as their number is reduced below the number fixed by or pursuant to these articles as the necessary quorum of the Directors, the continuing Directors may act for the purpose of summoning a general meeting of the Company but for no other purpose.

94. *Chairman of Directors Meeting*:- If a Chairman is not appointed or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same the Vice-Chairman shall preside and if the Vice-Chairman is also not present within the stipulated time, the Directors present may choose one among themselves to be the Chairman of the meeting.

95. *Delegation of powers to Board's Committee:*- The Board may delegate any of its powers to a Committee or Committees consisting of such Director or Directors as it thinks fit. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

96. *Chairman of Committee Meeting*:- A committee appointed by the Board may elect a Chairman of its meeting if the Chairman of the Board of Directors is not a member of the Committee, or and if no such Chairman is elected or if at any meeting the Chairman is not present within the ten minutes after the time appointed for holding the same, the members present may elect one among themselves to be Chairman of the meeting.

97. *Adjournment of Committee Meeting etc.,* :- A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the Chairman shall have a second or casting vote.

98. *When Actions of Directors or Committee valid not withstanding Defective Appointment:*- All acts done by any meeting of the Directors of a Committee of Directors or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be Director provided that nothing in this article shall be deemed to give validity to acts done be a Director after his appointment has been shown to the Company to be invalid or to have terminated.

DIVIDENDS AND RESERVE

99. *Reserve Fund*:- Subject to such directions as may from time to time, be issued by the Government in this behalf, the Directors may before recommending any dividend set aside out of the profits of the company such sums as they think proper as a reserve fund to meet contingencies or for equalising dividends, or for special dividends, or for repairing improving and maintaining any of the property of the Company, and for amortisation of capital and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company, and may invest the several sums so set aside upon such investments (other than shares of the Company)as they may think fit from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserve funds into such special funds, as they think fit, and employ the serve funds or any part thereof in the business of the Company and without being bound to keep the same separate from the other assets.

100. *Dividends*:- The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the reserve fund and amortisation of capital shall, with the approval of the Government, be divisible among the members in proportion to the amount of capital held by them respectively.

Provided always that any capital paid upon a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

101. *Capital paid up in Advance:-* Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right to participate in profits.

102. *Declaration of Dividends:-* The Company in annual general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment, but no dividend shall exceed the amount recommended by the Directors.

103. *Dividend out of profits only and not to carry interest*:- No dividend shall be payable otherwise than out of the profits of the year or other period or any other undistributed profits of the Company and no dividend shall carry interest as against the Company.

104. *When to be deemed net profit*:- The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

105. *Interim Dividend*:- Subject to the provision of Section 205 of the Act, the Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

106. *Debts may be deducted*:- The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

107. *Dividend and Call together:-* Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividends payable to him and 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. The making of a call under this clause shall be deemed ordinary business of an annual general meeting which declares a dividend.

108. *Dividends or bonus payable wholly or partly in cash* :- Any annual general meeting declaring a dividend may resolve or direct that such dividend wholly or in part be paid in cash in accordance with Section 205 of the Companies Act.

109. *Effect of transfer:-* A transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.

110. *Retention in certain cases:-* The Directors may retain the dividends payable upon the shares in respect of which any person is under Article 28 entitled to become a member or which any person under that clause is entitled to transfer, until such person shall become a member in respect of shares or shall duly transfer the same.

111. *Dividend to joint holders:-* Any one of the several persons, who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

112. *Payment by post:-* Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled or in the case of the joint holders; to the address of that one whose name stands first in the register in respect of the joint holding; or to such person and to such address as the share holder or joint holder may in writing direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

113. *Notice of dividend:-* Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.

114. *Unclaimed Dividend:-* All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and all dividends, unclaimed for six years after having been declared may be added to reserve fund. of the Company by the Directors for the benefit of the Company, if they think fit.

ACCOUNTS AND AUDIT

115. *Accounts to be kept:-* The Company shall cause to be kept proper books of accounts with respect to:

a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;

b) all sales and purchases of goods by the Company;

c) the assets and liabilities of the Company.

116. *Inspection of Account Books:-* The books of account shall be kept at the registered office of the Company or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

117. *Inspection of Member:-* The Director shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of member (not being Directors)and no members (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Directors by the Company in general meeting.

118. *Annual Account and Balance Sheet:-* The Directors shall at some date not later than 18 months after the incorporation of the company and subsequently once at least every year lay before the Company in general meeting, a balance sheet and profit and loss account, in the case of the first account since the incorporation of the Company and in any other case since the preceding account made up to a date not earlier than the date of the meeting by more than six months, or in cases where an extension of time has been granted for holding the meeting under the second proviso to sub-section (1) section 166 of the Act, by more than six months and the extension so granted.

119. *Annual Report of Directors:-* The Directors shall make out and attach to every balance sheet a report with respect to the state of the Company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Directors if authorised in that behalf by the Directors and when he is not so authorised shall be signed by such number of Directors as are required to sign the balance sheet in the profit and loss account by virtue of sub-sections (1) and (2) of section 215 of the Act.

120. *Contents of profit and loss account:-* Forms or balance sheet and profit and loss account should be in accordance with the provisions of Section 211 of the Act. The profit and loss account shall, in addition to the matters referred to in Section 211 of the Act, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargable against the year's income shall be brought into account so that a just balance of profit and loss may be laid before the meeting, and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

121. *Balance sheet and profit and loss account to be sent to members:-* The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report to the registered address of every member of the company in the manner in which notices are to be given hereunder at least twenty-one days before the meeting at which it is to be laid before the members of the company and shall deposit a copy at the registered office of the company for inspection of the members of the company during a period of at least twenty-one days before that meeting.

122. *Directors to comply with section 209 to 222 of the Act:-* The Directors shall in all respects comply with the provisions of section 209 to 222 of the Act, or any statutory modification thereof for the time being in force as may be applicable to the Company.

123. *Accounts to be audited annually:-* Once atleast in every year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors as provided in the Act.

124. *Appointment of Auditors:-* The auditors of the company shall be appointed or reappointed and their duties regulated in accordance with the provisions of the Act.

125. *Auditor's right to attend meetings:-* The auditors of the Company shall be entitled to receive a notice of and to attend any general meeting of the company at which any accounts which have been examined or reported on by them are to be laid before the company and may make any statement or explanations they desire with respect to the accounts.

126. *Powers of the Comptroller and Auditor-General of India:-* The Comptroller and Auditor-General of India shall have power:

a) to direct the manner in which the Company's accounts shall be audited by the auditors appointed in persuance of Article 117 hereof and to give such auditors instructions in regard to any matter relating to the performance of their functions as such;

b) to conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorise in this behalf; and for the purpose of such audit, to have access at all reasonable times, to all accounts, account books, vouchers, documents and other papers of the company and to require information or additional information to be furnished to any person or persons so authorised, on such matters, by such person or persons and in such form, as the Comptroller and Auditor-General of India may, by general or special order, direct.

127. *Comments upon or supplement to audit report by the Comptroller and Auditor General of India to be placed before annual general meetings:-* The auditors aforesaid shall submit a copy of their audit report to the Comptroller and Auditor-General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments upon or supplement to the audit report shall be placed before the annual general meeting of the company at the same time and the same manner as the audit report.

128. *Accounts to be deemed finally settled*:- Every account of the Company, when audited and approved by a general meeting 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 the period, the account shall forthwith be corrected and thenceforth shall be conclusive.

129. *How notice to be served on Members*:- A notice given by the Company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address) to the address if any supplied by him to the Company for the giving of notice to him.

130. *Notification of address by a holder of registered shares having no registered place of address:-* A holder of registered shares, who has no registered place of address may, from time to time, notify in writing to the Company an address, which shall be deemed his registered place of address, within the meaning of article 129.

131. *When notice may be given by advertisement*:- If a member has no registered address and has not supplied to the Company an address for the giving of notices to him, a notice addressed to him and advertised in newspaper circulating in the neighborhood of the registered office of the Company, shall be deemed to be duly given to him on the day on which the advertisement appears.

132. *Notice to joint holders*:- A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.

133. *How notice to be given to representatives of a deceased or bankrupt member:-* A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased, or assignee of the insolvent or by any like description at the address (if any) supplied or the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolency had not occurred.

134. *To whom notice of general meeting to be given*:- Notice of every general meeting shall be given in same manner herein before authorised to (a) every member of the company except those members who having no registered address have not supplied to the company an address for the giving of notice to them and also to (b) every person entitled to a share in consequence of the death or insolvency of a member who, but for his death or insolvency, would be entitled to receive notice of the meeting, provided the company has due notice.

135. *Transferees etc; bound by prior notice*:- Every person who by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address and title to the share being notified to and registered by the company, shall be duly given to the person from whom he derives his title to such share.

136. *How notice to be signed*:- The signature to any notice to be given by the Company may be written or printed.

137. *How time to be counted:*- Where a given number of days notice or notices extending over any other period is required to be given the day of service shall, unless it is otherwise provided, be counted in such number of days or other period.

138. *Distribution of assets on winding up:*- If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up the excess shall be distributed among the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them respectively. But this clause shall be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

139. *Secrecy clause*:- No member shall be entitled to require disclosure of any information respecting any detail of a company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Companyand which in the opinion of the Board it will be inexpedient in the interests of the members of the Company to communicate to the public.

140. *Indemnity*:- Subject to the provisions of the Act, every Director, Manager and other officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of the Board to pay out of the funds of the company all costs, losses, damages and expenses which any such officer or servant may incur or become liable to, by reason of any contract entered into or act or thing done by him as such Director, Manager or any other officer servant or in any way in the discharge of his duties including travelling expenses and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager or other officer, or servant in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted by Court.

141. *Individual responsibility of Directors*:- Subject to the provision of the Act, no Director, Manager or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults or any other Director or officer or for joining any receipt or other act for conformity or for any loss or expenses happening to the Company through any property acquired by order of the Board for or on behalf of the Company or for the insufficiency or difficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error or judgement or oversight on his part or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same happened through his own negligence, default, breach of duty or breach of trust.

142. *Rights of the Government* :- Notwithstanding any thing contained in any of these articles, the Government may, from time to time, issue such directives as they may consider necessary in regard to the conduct of the business and affairs of the Company Directors thereof and in like manner may vary and annual any such directive. The Directors or shall give immediate effect to directives so issued.

Sl. No.	Name of the Subscriber	Description, Occupation and address of the subscriber	Signature of Subscriber	Signature of witnesses and their names, description, occupation, and address.
1.	Governor of Andhra Pradesh through Sri. S.R. Ramamurthy, IAS S/o. Sri S.V. Ramanatha Ayyar	Secretary to Government, Industries & Commerce Department, Andhra Pradesh, Hyderabad.		
2.	Sri V. Sundaresan, IAS S/o. Late Sri S.V. Sastry	Special Officer, Industrial Infrastructure Corporation of Andhra Pradesh, Hyderabad		
3.	Sri N. Luther, IAS S/o. Sri M.R. Luther	Director of Industries, Andhra Pradesh, Hyderabad.		

Place : Hyderabad.

Dated this day of 1973